0 14302 76871 1 32

C2710-1

August 6, 1990

Copyright 1990 by Crain Communications Inc.

NEWSPAPER

Advertising Age

Crain's International Newspaper of Marketing • In Two Sections • Section 1 • $2.00 • $2.50 in Canada • £3.50 in U.K.

#4B**********5-DIGIT 20814
#020190949 6#01AA03252 99A0Z
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
BETHESDA MD 20814

Sears slipping from No. 1

By Kate Fitzgerald

Sears, Roebuck & Co.'s reign as the nation's largest retailer is about to end.

Sometime during the next few months, and certainly by yearend, Sears will fall behind K mart Corp. into second place and eventually drop to third behind Wal-Mart Stores, retail analysts say.

Retailers will release their July sales figures this week, and Sears is expected to trail K mart as it did in June, for the first time this year. Sears has been the No. 1 U.S. retailer for most of this century.

Depending on how the figures are viewed, K mart could pull ahead of Sears in total sales for the first seven months of 1990.

But one analyst pointed out that the month-to-month sales results for the top three retailers this year don't tell the whole story.

"If you include Sears' credit card business, the question of who's bigger in 1990 is touch-and-go. But as we get to the end of the year, it won't even be close—K mart will be well ahead of Sears," said Edward Weller, an analyst with Montgomery Securities.

K mart's reign as No. 1 may be short-lived, however.

"K mart will be on top when we go into 1991, followed by Sears and then Wal-Mart. But Wal-Mart will be No. 1 by the middle of next year," Mr. Weller predicted.

Rick Nelson, retail analyst for Duff & Phelps, agreed Sears is dropping fast.

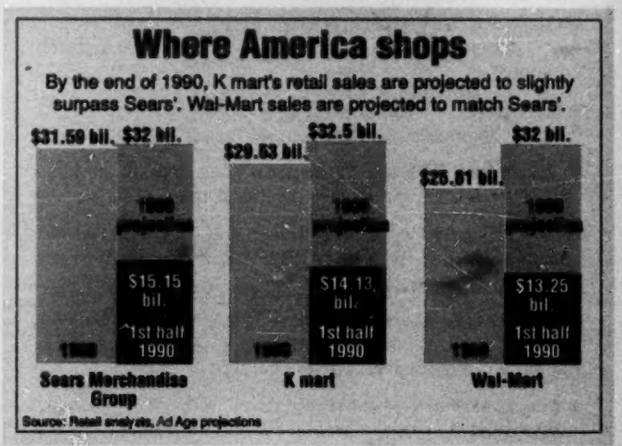
"They've been No. 1 for a long time but by next year Sears will have slipped to third place," he said.

Though not conceding the company's fall from the top spot, Sears executives discounted the importance of rankings.

"We want to be the premier retailer out there, but you don't have to be the biggest to do that," Michael Bozic, Sears Merchandise Group chairman, said last week. "It's more important to be the best in each of our individual lines of business."

The slide is likely to cause the retailer to seriously re-evaluate its strategies. Since launching the

(Continued on Page 36)



John Hall

NIELSEN UNDER SIEGE

Challenges from clients and rivals imperil stature in media, marketing research

By Wayne Walley and Scott Hume

A.C. Nielsen Co. has its back to the wall, fighting a multifront war to maintain its position as the world's dominant media and marketing research company.

How it responds over the next year to challenges from both competitors and clients is likely to decide whether that dominance will continue.

The most immediate and hottest challenge confronts its Nielsen Media Research unit, which finds itself caught in a nasty crossfire between the Big 3 TV networks on one side and advertisers and ad agencies on the other.

The well-known and widely used TV audience ratings system is under the most serious attack in its history, and the criticisms are coming from Nielsen's primary clients, the networks.

But the Nielsen Marketing Research unit—which accounted for an estimated $800 million in revenues last year, compared with $165 million for the media unit—is under fire as well.

The package-goods sales monitoring service has been forced to play catchup to competitors' innovations and to confront price cutting that's hurting profits. At the

(Continued on Page 37)

Shonna Valesky

Nielsen's Bill Jacobi: "prepared for a long, hard fight."

Sen. Kennedy aims at drug marketing

By Patricia Winters and Laurie Freeman

Sen. Edward Kennedy is investigating the marketing practices of the prescription drug industry, the latest sign that Congress suspects marketers are skirting federal rules.

Sen. Kennedy (D., Mass.), chairman of the Senate Labor & Human Resources Committee, sent letters July 12 to the nation's top pharmaceutical companies including Bristol-Myers Squibb Co., Pfizer and Warner-Lambert Co.

Art Stein

E. Kennedy

In the letter, Sen. Kennedy requested information about a variety of promotional practices, ranging from advertising to the use of seminars and non-traditional media such as video news releases.

Sen. Kennedy is well known in the drug industry. His committee sent a letter to drug companies a year ago asking about promotional practices.

In the 1970s he sponsored hearings on the industry's practice of courting doctors with premiums and unsolicited

(Continued on Page 36)

LAST MINUTE NEWS

Clark leaving Brouillard?

NEW YORK—Agi Clark, who last month was named chairman of the newly merged Brouillard/LGFE, will leave the shop in the next several weeks, a high-level source said. Ms. Clark, 48, was chairman-chief creative officer of Lord, Geller, Federico, Einstein before that agency was merged by parent WPP Group into Brouillard Communications. Her departure would mean none of Lord Geller's top executives and only a handful of its staffers will remain following a transition period. An agency spokesman said Ms. Clark will go to Brouillard/LGFE and has no other plans.

NBC, Gannett eye in-store

NEW YORK—NBC and Gannett are negotiating with Admax to become advertisers and programming suppliers on Admax's in-store TV network being launched in October in 50 supermarket warehouses, an Admax spokesman said. NBC confirmed it's talking with several in-store media companies. The network previously has said it was looking for another way to promote its shows while adding value to network TV buys. Gannett couldn't be reached for comment.

Lipstein deals with Japan

NEW YORK—Owen Lipstein is expected to announce this week he's selling a 50% stake in his troubled New American Magazine Co. to a Japanese media company, believed to be Tokyo-based JICC Shuppankyoku, sources said. The deal would be one of the first

(Continued on Page 2)

INSIDE

The game's getting ugly as sports media, advertisers face off over soaring costs—stories after Page 24.

Chiat's austerity moves P. 2 • What agency execs' kids do P. 12 • Who'll buy Trump's book? P. 30

NEWS SUMMARY

■ **K mart** is expected to pass Sears as the nation's largest retailer this year, but Wal-Mart may overtake them both some time in 1991. 1

■ **Prescription drug marketing** practices are being investigated by Sen. Edward Kennedy and may be the subject of Senate hearings this fall. 1

■ **Quaker Oats Co.** is re-evaluating new-product plans for 1991 as it closes out a poor fiscal year this week. 3

■ **Outdoor advertising spending** was down 15% in the first quarter, reflecting in part a pullback by tobacco companies. 3

■ **A "Fortune" letter** charging off-rate-card dealing by its rivals has heated up the business magazine wars. 3

■ **The 1992 Winter Olympics** have already attracted more than 30 U.S. companies as sponsors. 4

■ **Mutual fund** marketers' advertising may hit $120 million this year, up 50% over 1989, as investments in the funds increase. 13

■ **Procter & Gamble's Always,** the No. 1 sanitary napkin in the U.S., has entered Belgium and is expected to roll quickly into other European countries. 13

■ **Frequent shopper programs,** designed to reward consumers, are growing among supermarket chains. ... 21

■ **DowBrands** has introduced Fantastic S'wipes, premoistened cleaning towels, with a $4 million campaign. 31

■ **Alcoholic beverages** from Eastern Europe are hot in the U.S., despite an overall decline in spirits sales. 32

■ **Food labeling regulations** that would pre-empt some state regulations were approved by the U.S. House last week. 33

■ **Nabisco Foods** said it may sue Heinz Pet Products if it doesn't end an ad campaign claiming Meaty Bone dog biscuits are preferred 2-to-1 over Nabisco's Milk-Bone. . 34

■ **Terry Rakolta** said her Americans for Responsible Television group will start a membership drive next month with a mailing to 100,000 households with children. 35

■ **Cannes '90:** An eyewitness report and a study of the origins of originality. ("Creativity" is an *Ad Age* supplement available on request. Contact Dave Kelley, *Ad Age* Circulation, 965 E. Jefferson St., Detroit, Mich. 48207. 1-800-992-9970.) ..... Starts after Page 24

DEPARTMENTS

Ad Review	38	Letters	16
James Brady	17	Marketing to Hispanics	18, 20
Brady's Bunch	27	MediaWorks	25
Calendar	10	NewsWatch	10
Classified	29	People Moving	28
Con-Sid-erations	14	PeopleWorks	26
Editorials	14	Photo Review	28
For the Record	33	Sales Promotion News	21
Index to Advertisers	38	The Next Trend	17
International News	24	Joe Winski	17

Contents copyright 1990 by Crain Communications Inc. All rights reserved.

Vol. 61, No. 36—ADVERTISING AGE (ISSN 0001-8899) is published weekly by Crain Communications Inc. at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.00 a copy; $70 a year; $107 two years; Add $100 per year for air delivery to Europe & Middle East. Add $60 for surface mail to all other foreign countries. WILLIAM STROSS, VP-circulation; DAVID KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207 1-800-992-9970. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48106. Microfilm copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD AGE is available for classroom purchase on the NEXIS® Service. Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45401 800 227-4908.

ABP ABC

Chiat's new route for '90s: Austerity

By Cleveland Horton and Gary Levin

High-profile, high-flying Chiat/Day/Mojo has clipped its own wings to prepare for a long journey through stormy weather.

Capping a decade of stellar growth, the agency last week put in place a severe austerity program that included layoffs of nearly 50 people, wage cuts and freezes, and scaled-back overhead.

The program extends beyond the general advertising agency to affect subsidiaries in public relations, design, direct marketing and business-to-business advertising.

The cutbacks stemmed primarily from the agency's hemorrhaging New York operation. Following the decision of Royal Caribbean Cruises to place its $30 million account up for review (AA, July 30), Chiat announced staff reductions in New York and the agency's Venice, Calif., headquarters.

Bob Wolf, chairman of North American operations, said 28 to 30 people were laid off at the New York operation. Sources indicated the figure may rise to 50.

Speculation also centered on the fate of two top people in New York—Jane Newman, president-ceo; and Michael Smith, senior VP-creative director—and on whether Mr. Wolf would return to New York to shore up the office.

"I don't plan to move to New York," Mr. Wolf said. "I don't want to comment on any management moves or speculation. Nothing's decided. . . . Obviously, we have to sit down and talk to Jane about the issues. No one's casting blame."

"To set some rumors straight, none of this has anything to do with the acquisition in Australia."

Asked whether he expected Ms. Newman to leave, Mr. Wolf said, "I don't expect her to leave."

About a dozen major accounts have either left the agency or substantially cut ad spending over the past 18 months. New York billings have dropped to less than $125 million from $200 million a year ago.

In a memo addressed to "Everyone in the Chiat/Day/Mojo family," agency Chairman Jay Chiat outlined the agency's problems and steps being taken to deal with "an extremely difficult year for our industry."

As part of the plan, agency directors, senior management and major shareholders took "significant" pay cuts. Further, staffers earning salaries of $100,000 or more face a wage freeze, while all other raises will be limited to 5%.

Overhead expenses have been "drastically cut," the memo said.

"Naturally, we hope these measures will be very temporary," Mr. Chiat said in his memo. However, other agency executives said privately they expect the company to remain in an austerity posture for several years.

At the company's headquarters, staff cuts were limited to about seven people. Peter deVaux, exec VP-chief financial officer, resigned last week, and Simon Bax, former VP-financial operations, will succeed him.

In an earlier staff cut, the corporate finance department reduced its staff by 15 in July.

Chiat design subsidiary Keith Bright & Associates let go about 12 employes in the Venice and New York offices, dropping the total staff to 49, primarily because corporate identity spending is off.

Observers suggest Chiat is feeling the financial pressures of debts taken on with a leveraged recapitalization and the later $56.5 million acquisition of Australia's Mojo MDA. The recapitalization, funded primarily with junk bonds, allowed agency prin-

(Continued on Page 8)

Disney, Kellogg team

By Marcy Magiera

Walt Disney Co.'s Buena Vista Television will launch in mid-August a giant cross-promotion with Kellogg Co. for the Disney Afternoon.

The promotion, running through October, will link the Disney Afternoon syndicated TV shows "DuckTales," "Chip 'N Dale's Rescue Rangers," "Disney's Adventures of the Gummi Bears" and "Tale Spin" with six Kellogg cereal brands.

The promotion is one of the largest ever in the cereal industry, said Celeste Clark, Kellogg VP-nutrition marketing and communications, but she wouldn't give a budget figure.

Buena Vista is taking a brand management approach to marketing its syndicated shows. The Disney Afternoon's entire marketing campaign, valued at $100 million, includes Buena Vista's own advertising and promotions; the Kellogg cross-promotion; a promotion with McDonald's Corp. in November or December; and an effort with another, undisclosed partner in first quarter 1991.

That package represents the largest consumer marketing effort ever for a syndicated program.

Spreading out the promotion during the fall and winter "goes back to the brand management system," said Rick Haskins, VP-marketing for Buena Vista. "We're thinking, how do we carry momentum throughout the year."

The Disney Afternoon will start Sept. 10 on more than 150 stations nationally. Each show in the syndicated, five-day-a-week programming block is 30 minutes long.

The Kellogg promotion pairs "DuckTales" with Rice Krispies; "Gummi Bears" with Froot Loops; "Tale Spin" with Frosted Flakes; and "Chip 'N Dale" with Honey Smacks, Corn Pops and Apple Jacks.

***Disney Adventures*, the company's first major consumer magazine, will be launched at checkout stands in October.**

One of four rubber stamps featuring characters from each show will be in each cereal box. Smaller boxes will also have cutout character masks on the back, while the inside of larger boxes will be printed with games and puzzles.

Kellogg will add 10-second tags supporting the promotion to TV spots that run during network and syndicated children's programming, including the Disney Afternoon.

Kellogg's promotion agency is Denscham & Smith, Los Angeles. Leo Burnett USA, Chicago, is producing the TV spots. Buena Vista handles creative and promotions in-house; media buying is done by Western International Media, Los Angeles.

In-store displays will offer Disney Afternoon character school folders with the purchase of Kellogg's cereals. In select stores, Kellogg will give "DuckTales" tote bags to consumers who buy Corn Flakes or Rice Krispies.

Corn Flakes boxes will have a proof-of-purchase mail-in offer for *Disney Adventures*, the entertainment giant's first major consumer magazine.

The digest-size magazine will be launched nationally at 1C0,000 checkouts at supermarkets, convenience stores and drugstores in October, said Carole Black, Buena Vista senior VP-marketing.

The 128-page monthly is filled with comics featuring characters from Disney Afternoon shows, games and puzzles.

Disney hopes *Disney Adventures*, priced at $1.95, will eventually carry ads from other marketers. The initial issue has ads only for Disney products, including the film "DuckTales: The Movie" and "The Little Mermaid" videocassette. □

Quaker stays course amid woes

By Julie Liesse

CHICAGO—When Quaker Oats Co. announces final results for its fiscal year Aug. 7, the news that sales, earnings and unit volumes dropped will close the book on a disastrous year.

Despite the declines, however, Quaker apparently is sticking with the strategy it launched during fiscal 1990.

At that time, the company decided to focus marketing dollars on "high-growth, high-margin" businesses such as cereals, Gatorade and certain pet foods, and cut trade promotion and ad spending where possible.

New-product plans are being re-evaluated in fiscal 1991 and some ad budgets are targeted for cuts, sources close to the company said. Even such key franchises as Gatorade may be affected in the cuts, those sources said.

The 1990 marketing strategy produced lackluster results for the fiscal year, ended June 30. The financial results disclosed tomorrow will include an overall 6% drop in unit volumes in the key U.S. & Canadian Grocery Products unit, analysts said.

Companywide sales will be down from the $4.9 billion posted in fiscal 1989, even though international sales have increased.

Through the first nine months of fiscal 1990, unit volumes were down 24% for Quaker's pet foods; 13% for Golden Grain and its Rice-A-Roni products; 9% for Aunt Jemima frozen foods; 5% for ready-to-eat cereals; 3% for hot cereals; and 2% for Gatorade.

"Quaker's in sort of a pickle. . . . Overall, their record of the past 10 years looks good, but much of it is window dressing."

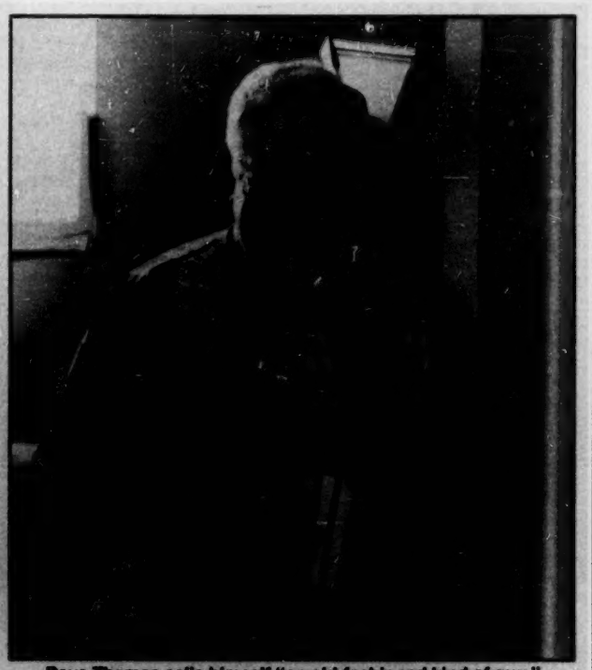
In the U.S., only granola bars (up 22%) and foodservice (up 6%) reported significant gains.

Insiders and analysts alike characterized Quaker's year as a nightmarish combination of bad judgment and poor luck.

The company was late in introducing a ready-to-eat oat bran cereal, for instance, and Quaker Oat Bran arrived just in time for the devastating collapse of that segment. With everything but Cap'n Crunch posting disappointing sales, the company's share of the $6.9 billion ready-to-eat cereal market fell to 8% from 8.7% for the year ending in May, industry sources report.

Quaker counted on Gatorade, its largest

(Continued on Page 36)



Dave Thomas calls himself "an old-fashioned kind of guy."

Thomas shines as Wendy's Col. Sanders

ONE

R. David Thomas, 58, has been in the restaurant business since he was 15. After working at one of the early Kentucky Fried Chicken franchises in Fort Wayne, Ind., he opened the first Wendy's Old Fashioned Hamburgers restaurant in 1969 in Columbus, Ohio. Today, Wendy's International is the nation's fourth largest hamburger chain with 3,729 restaurants and sales last year of nearly $3.1 billion.

Advertising Age Chicago Bureau Chief Scott Hume spoke with Mr. Thomas last week about his company and the industry, and his starring role in Wendy's advertising.

Advertising Age: *You've become quite a celebrity through the ads. Are you enjoying that?*

Mr. Thomas: Not all the time. I can't go anywhere without people coming up to me, and I don't always like that.

I was in Fort Lauderdale and this guy says, "I know you." I said, "From the post office?" and he said, "No. You're the Wendy's man!" That happens all the time. . . . But it's also fun to go into restaurants and talk to the kids.

AA: *You've taken some ribbing about your pronunciations. Does that bother you?*

Mr. Thomas: Oh, no. When we were doing the commercial for the Jetsons glasses, I kept saying, "The Jetsons: The Movie." We must have done six or seven takes. Finally, this kid says to me, "There's no 'the' there. It's 'Jetsons: The Movie.' "

AA: *Everyone's a critic, eh?*

Mr. Thomas: Sure. But . . .

(Continued on Page 34)

Outdoor feels drought

Spending drops 15% amid cost-cutting, protests

By Alison Fahey

The outdoor advertising industry is showing signs of severe battle fatigue.

First-quarter ad spending in the medium dropped a hefty 15% in the wake of controversial inner-city whitewashing campaigns, legislative threats and budget-conscious advertisers.

The drop compared with an 8% increase in overall outdoor ad spending in the first quarter of 1989, according to LNA/Arbitron Multi-Media Service.

"The whole industry had a weak first quarter," said Jay Zitz, senior VP-marketing at Gannett Outdoor. "The primary reason was the economic situation that began fourth quarter 1989. [Marketers] said, 'We've got problems hitting our numbers, so we have to cut back somewhere.' "

Mr. Zitz said another reason for the drop is that "in first quarter 1989 we had an influx of [unexpected] dollars, especially from tobacco marketers."

But other executives acknowledged that special-interest groups protesting tobacco and alcohol outdoor boards, especially those targeted to minorities, took its toll on the industry.

"I think some advertisers, especially tobacco and liquor [marketers], are running scared because of all the negative PR we're getting," said one outdoor executive who asked not to be identified. "No one wants to be in the limelight because they are the target of community protests or boycotts."

"These are issues the industry is going to have to deal with from this point forward," said Jim Eatrides, president of Boiseclair Advertising. "They are not going to go away."

Tobacco companies, outdoor's biggest category, spent about $41 million in first quarter 1990 compared with $55 million for the same period a year ago, representing a 26% decline.

Besides a major decline in tobacco spending, eight of the top

(Continued on Page 38)

Top 10 outdoor spenders

First quarter 1990 vs. first quarter 1989, Dollars in millions

Cigarettes, tobacco, accessories	$55,030	$40,784	(26)
[illegible]	[illegible]	[illegible]	[illegible]
Travel, hotels & resorts	12,958	12,561	(3)
[illegible]	[illegible]	[illegible]	[illegible]
Automotive	15,135	10,646	(30)
[illegible]	[illegible]	[illegible]	[illegible]
Entertainment & amusements	10,741	9,328	(13)
[illegible]	[illegible]	[illegible]	[illegible]
Miscellaneous (not classified)	5,240	5,798	11
[illegible]	[illegible]	[illegible]	[illegible]
Total:	$154,084	$128,668	(17)

Source: LNA/Arbitron Multi-Media Service

'Forbes' vs. 'Fortune'

Business books fight about rate-card deals

By Scott Donaton

NEW YORK—The long-simmering battle between the nation's top three business magazines came to a boil last week, the result of a letter *Fortune* mailed to advertisers charging its competitors with cutting off-rate-card deals.

Although the Time Warner title later retracted a claim against McGraw-Hill's *Business Week*, it let stand allegations against *Forbes*. *Forbes* responded with an ad in the Aug. 2 edition of *The New York Times* headlined "Why is *Fortune* fibbing?"

Now, *Fortune* says it's considering its own advertising response.

The letter that sparked the controversy began, "It doesn't take more than a glance to realize that selling off the rate card is growing in popularity." The July 16 letter, a copy of which was obtained by *Advertising Age*, went on to say, "Now it has spread to the imported car industry."

"Media don't need that kind of stuff in this kind of year. That kind of bickering makes everybody look bad."

The letter, signed by Consumer Advertising Manager Bruce Argus McNaughton, also said, "*Forbes* went off the rate card in an offer to a West Coast importer, providing them with a deeper discount than they offer on the card for space purchased."

Forbes also was accused of cutting similar deals with a "Japanese office equipment manufacturer" and a "watch manufacturer."

Business Week was accused of offering "a European manufacturer a package of metro areas free if they bought a national campaign."

"What our 'friends' at *Forbes* and *Business Week* are doing is wrong," the letter continued. "We treat all [advertisers] equally and give no unfair advantages."

The letter was sent to an unspecified number of unidentified business magazine advertisers and prospective advertisers. But, within days after the letter was sent, *Fortune* executives phoned recipients to retract the statement about *Business Week*.

"We apologized to *Business Week* for that error, and we regret

(Continued on Page 34)

PERSPECTIVAS

First half roars, but second half rumbles

By Christy Fisher

The continued softness in general-market advertising has many Hispanic market practitioners waiting for an adverse rub-off effect.

However, the first seven months of the year have been kind to most Spanish-language media. Hispanic network TV continues to report healthy gains, while print is moving ahead, primarily as a result of a string of new launches. The only real dim spot is network radio *(see story below)*.

Univision Network reports ad revenues are up 26% over the same period the previous year; Telemundo Group says it's realized a 41% gain.

Both TV networks attribute the gains to existing advertisers' spending jumps, new advertisers and rate increases.

"We feel great about our numbers—especially compared to what is happening in the general market," said Gary McBride, Telemundo's senior VP-sales.

National Association of Hispanic Publications, which has 50 newspaper and magazine members, reports that print advertising year-to-date is up about 10%.

Existing advertisers continue to market to Hispanics, but budgets have been relatively flat, said John Catalani of Hispanic Media Associates, NAHP's rep company.

"The Hispanic market is still a reflection of the general market," he said. "If the general market is soft, the Hispanic market will be somewhat soft."

Spanish-language TV, considered a primary buy, could be benefiting at other media's expense, observers say.

Hispanic agencies, meanwhile, are reporting mixed results.

Agencies reporting significant double-digit increases in new and existing business include: Berry-Brown Advertising, Casanova, Pendrill Publicidad, Publicidad Siboney, La Agencia de Orci, Noble & Asociados/USA, and regional agencies Lopez Negrete Communications, Marketing Mercadeo International and Sanchez & Levitan.

"We've heard Hispanic agencies have had budget reductions, but it's been a very good year for us—not just with new account gains, but we've had significant increases from virtually all our clients," said Laura Marella, media director at Casanova, Pendrill. "We may be an exception to the rule."

In most cases, Berry-Brown clients have increased their budgets, said Chairman Bob Berry. "We have had some reduce or eliminate their budget . . . but others have increased considerably."

Young & Rubicam's Bravo Group, Conill Advertising, IAC Advertising and Sosa & Associates expect smaller gains of around 10%.

"Things are pretty stable," said Ernest Bromley, president of Sosa & Associates, which is showing gains of about 8% for the year and no cutbacks by clients. "We've grown a bit, but not as much as last year. There does not seem to be much new-business activity with big clients [as last year]."

Executives at Martinez/Siboney and Montemayor y Asociados said spending is off because national money is being shifted to regional advertising and promotions and advertising is being focused on fewer products.

Robles Communications has seen several clients cut back, said Neil Campbell-Fereira, account management director. "We're not meeting anticipated growth projections. Most of our growth will come from new business as opposed to current business."

Billings are meeting expected levels at Ferrer/Ad America because of new clients, said President Carl Kravetz. "Existing clients are spending more, but not spending as much as they said they would spend."

Conill Advertising reports a handful of budget cuts "related to general-market issues," said CEO Carlos Rossi.

"The market still shows steady growth, but not the growth of the past," he said. "Instead of 20% and 30% increases, I think we'll see growth of 10% to 15%." □

PERSPECTIVAS ACCOUNTS

Charged up: Eveready Battery Co. assigned its Hispanic account to Casanova, Pendrill Publicidad. The now-defunct Bermudez & Associates had handled.

Fuzzy reception: Home Box Office and Publicidad Siboney have parted ways after a two-year relationship. HBO said it no longer requires a full-service Hispanic shop and will hire agencies on a project basis.

Santa Maria: Saint Mary's University of Texas, San Antonio, hired Marketing Mercadeo International for English- and Spanish-language advertising in Texas and Mexico. Pitluck Group had handled.

Taking a shine to ads: Upjohn Co. broke Spanish-language TV, radio and print in Los Angeles, Miami and New York for its Rogaine baldness treatment. Conill Advertising handles.

New campaigns: Pacific Bell is airing two 30-second TV spots from Casanova, Pendrill Publicidad to promote residential calling. In one spot a teen-age Hispanic girl de-emphasizes her background to be accepted by her peers. Later, after having her first child, she realizes the importance of maintaining her cultural ties. . . . Colgate-Palmolive Co. via Publicidad Siboney has introduced a new sweepstakes campaign that uses Univision's "Sabado Gigante" as a cornerstone. The sweepstakes promotes Colgate toothbrushes, toothpaste and mouthwash, and offers a college scholarship, Toyota Corolla, Caribbean cruise or $5,000 in toys and clothes as a grand prize. The effort marks Colgate's first involvement with "Sabado Gigante." . . . AppleTree Markets is airing a Spanish-language TV and radio campaign handled by Rives Smith Baldwin Carlberg. . . . Home Club broke Spanish-language TV and radio ads from Ferrer/Ad America. . . . Pepsi-Cola South broke an English- and Spanish-language TV, radio and POP campaign to help raise funds for SER-Jobs For Progress literacy labs. Former San Antonio Mayor Henry Cisneros is the spokesman; Ornelas & Associates handles. . . . Pepsi-Cola Co. signed Michael Carbajal, 1988 Olympic silver medal-winning boxer and current light flyweight world champion, as a spokesperson for Diet Pepsi. Radio and print ads featuring him will break in Phoenix and Tucson markets, and may roll nationally. La Agencia de Orci handles Pepsi's West Coast Hispanic account.

—Compiled by Christy Fisher

YOUR BEST CREATIVE FOR THE HISPANIC MARKET CAN COME FROM OUT OF THE BLUE. Fresh, original concepts and copy for the U.S. Hispanic market and for Latin America. Past and present clients include: American Express, Eastern Airlines, Haagen Daz, Hialeah Hospital, National Car Rental, Pizza Hut, Polar Beer, Polaroid, Southeast Bank and Southern Bell.

For samples of print and broadcast contact:
Out of the Blue Creative, 4960 S.W. 72nd Avenue - Suite 208
Miami, FL 33155 • Ph: (305) 663-8911 • Fax: 663-2381
INDEPENDENT CREATIVE STUDIO WITH FULL PRODUCTION CAPABILITIES

HISPANIC RESEARCH

- Tracking Studies
- Focus Groups
- Quarterly Omnibus

Strategy Research Corporation
Miami, Florida
Founded 1971

National radio tuned out

By Christy Fisher

Concerned by flat national sales and the loss of market share to other media, the Spanish-language radio industry is banding together to get advertisers to tune in.

The heads of the four largest rep companies—Caballero Spanish Media, Katz Hispanic Radio, Lotus Hispanic Reps and SBS Network—met in late June to discuss the slump.

Although they won't provide specifics, Cabellero, Katz and Lotus all report flat sales this year; SBS says its gains have not been as large as expected.

"It's been a very tough year, said Rick Kraushaar, president of Lotus Hispanic Reps. "Radio is not being used anymore."

"We're not seeing many new accounts come to the market," said Eduardo Caballero, president of Caballero Spanish Media. "But, we have seen quite a few leave."

Spanish-language national radio spending has risen fairly steadily over the last five years to about $51.4 million in 1989 from $34.8 million in 1984, according to *Hispanic Business*.

However, the medium's share of total media spending has eroded to 8.8% in 1989 from 13.2% in 1984.

Some attribute national radio's decline to greater interest in its local counterpart.

Local Spanish-language radio grabs the greatest share of media expenditures—$149.3 million last year, up 14% from the previous year, according to *Hispanic Business*.

Radio reps said they need to improve radio's reception at Hispanic agencies if it is to pick up greater shares of ad dollars.

"A lot of [the slump in national radio spending] can be blamed on agencies' TV mentality," said Mr. Caballero. "TV commercial creative and production eats up such a large part of the budget, there's hardly anything left to air the spot or go into other media.

"This may seem hard to believe, but it's easier for us to sell Spanish radio to Anglo agencies than to Spanish agencies," he added.

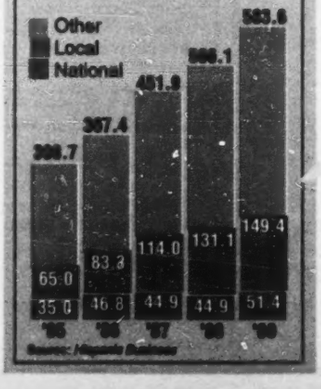
Noble & Asociados/USA has cut radio spending, said Eva May, management supervisor. But this is not due to dissatisfaction with radio, but the attraction of other media.

"For clients such as P&G we always look at TV first," she said. The agency also has been putting more money into other avenues such as coupons, direct mail and promotions, she said.

Agency and media buyers also

(Continued on Page 20)

National radio wocs
Local and national media spending for hispanic markets, in millions of dollars.



Pepsi tops recall

By Christy Fisher

In the first survey of Hispanic advertising awareness, Pepsi-Cola beat Coca-Cola.

According to a recent survey by Market Development, Pepsi topped its arch-rival in unaided advertising awareness among Hispanic consumers in the top six Hispanic markets.

Consumers were asked, "Of all the companies or brands you have seen or heard advertised in the last 30 days, which company or brand first comes to mind?" and "Which next comes to mind?"

Pepsi's "*Para la sed de la nueva generacion*" ("For the thirst of a new generation") campaign, created by Publicidad Siboney and starring entertainers Chayanne and Luis Enrique, was top of mind among most of the 754 Hispanic consumers surveyed by telephone in Houston, Los Angeles, Miami, New York, San Francisco and San Antonio.

Coca-Cola's "*El sabor de tu vida*" ("The taste of your life") campaign, via Sosa & Associates, ranked No. 2, followed by a spot from Mendoza, Dillon & Asociados for Ford Motor Co.'s Escort.

Other brands that make the top 10 most recalled list and their agencies are: Sears, Roebuck & Co. (Mendoza, Dillon); General Motors Corp. Chevrolet Motor Division (Lintas:Latina, Miami); Anheuser-Busch's Budweiser (Sosa & Associates); Procter & Gamble Co.'s Tide (Conill Advertising, New York); Goya Foods (in-house); P&G's Pampers (Noble & Asociados/USA, Irvine, Calif.); and General Electric Co. (local retail advertising). □

SHOP TALK

Agencies hook up: W.B. Doner & Co., which shuttered its Hispanic division in May, has signed Sanchez & Levitan, Miami, Fla., to provide Hispanic market services for Doner's general-market clients. Sanchez & Levitan already is servicing Doner client Jack Eckerd Corp.

Alan Kalter, Doner's exec VP-retail, said the agency eventually may purchase a stake in the Florida shop. "We'll work together a while and see," he said.

Bermudez progeny: The shuttering of Bermudez & Associates, New York and Los Angeles, is bringing about the birth of several smaller shops.

Former Chairman Eduardo Bermudez is consulting for Publispana, Los Angeles, which opened its doors last month. William Peniche, former president of J. Walter Thompson/Mexico, heads the office. Debra Gish, former Bermudez VP-management supervisor, has formed Core Group, Los Angeles. Fernando Tamayo, former Bermudez exec VP-creative services director, has opened a creative boutique in Tarzana, Calif., working with former Bermudez client Disneyland and Kentucky Fried Chicken of Southern California through HDM, Los Angeles.

Coastal shift: Third Coast Marketing, Houston, teamed up with Black Gillock & Langberg, Houston. The Hispanic shop changed its name to Lopez Negrete Communications, and will continue to operate as a minority-controlled agency.

WE ARE FIRST IN SPANISH RADIO BECAUSE WE WERE THE FIRST IN SPANISH RADIO.

Experience. That's what going with an industry leader is all about.

At Caballero Spanish Media, we've been in this market longer than anyone else. Long before most people recognized it's potential.

Our clients will tell you from experience that nothing reaches and sells the Hispanic market like Spanish radio.

Today, our commitment to Spanish radio is clear. It's the only medium we represent.

Besides offering you the best merchandising and promotion opportunities in the market, Caballero Spanish Media offers you a direct link to the Hispanic culture.

After all, we are also first in Spanish radio because Spanish is our first language.

CABALLERO SPANISH MEDIA

261 Madison Avenue, New York, NY 10016 (212) 697-4120

ATLANTA — (404) 262-1200
BOSTON — (617) 964-4410
CHICAGO — (312) 443-0101
DALLAS — (214) 522-1888
DETROIT — (313) 445-0491
KANSAS CITY — (816) 471-5502
LOS ANGELES — (213) 450-5656
NEWPORT BEACH — (714) 261-5757
SAN FRANCISCO — (415) 291-9004

Radio

(Continued from Page 18)

said radio suffers from a higher cost per thousand than Hispanic TV, a criticism the radio reps dismiss.

"The rate question is just a good excuse," said Mr. Caballero. "They compare [Strategy Research Corp.'s] TV numbers with Arbitron's radio numbers and say CPMs for TV are better.

"The fact is, they're not comparing apples and *manzanas*, but apples and *naranjas*." Mr. Caballero said a more accurate CPM comparison would be obtained by comparing Arbitron's TV and radio ratings.

Julio Omana, managing director of SBS Network, pointed out that if production costs were included in CPM estimates, TV would not appear as cost-effective.

The rep firms admit the radio industry could do a better job of selling the medium, adding that the keys are improving radio ratings research and the use of effectiveness studies.

"The challenge is to substantiate our portion of the media dollars," said Gene Bryan, VP-national sales manager of Katz Hispanic Radio.

Hispanic agencies have long said the reliability of ratings provided by Arbitron Co. and Birch/Scarborough Research are a serious impediment.

"If our decision were based on numbers only, Spanish radio would probably never be a part of our media plan," said Monica Fragale Gadsby, Hispanic media director, Leo Burnett Co. "[As other Hispanic media measurement improves] it will become increasingly difficult for agencies and advertisers to continue to justify buying radio on a purely qualitative call."

Arbitron defended its service, while Birch said further improvements were in the works, including improving weighting variables and qualitative research.

Mac Tichenor, president of Tichenor Media Systems, is talking with research companies about establishing an independent Spanish-language radio ratings service for the top 10 Hispanic markets.

This service, which could get under way as early as the fall, would track audience ratings, media usage and demographic profiles.

"Something has to be done," he said. "Everyone is clamoring for

SPECIAL REPORT

Sports Media

Edited by Junu Bryan Kim

Escaping a batting slump S-2
Magazines go after new categories.

Power hitters S-6
Regional sports nets' value increasing.

10 million solutions S-7
Execs asked to solve TV sports problem.

Fall scrimmage gets rough

Advertisers holding back ad dollars await network 'fire sales'

By John McManus

Madison Avenue's top sports media buyers have begun a relished vigil.

"We're looking forward to some real interesting Friday afternoons in the fall," says Larry Novenstern, VP-manager of national sports franchises at BBDO, New York.

Mr. Novenstern is referring to an anticipated return of the Friday afternoon fire sales of network weekend time common during the mid-1980s, when advertisers and their agencies last clearly held the upper hand in the net TV sports poker game.

Excluding the automotive industry, many traditional sports advertisers have chosen to forgo the sports upfront season and keep their money for "opportunistic" buys in the scatter marketplace.

Indeed, the operative word for advertisers is opportunity. As an executive from one of the most ubiquitous advertisers on TV sports advises media sellers, "Any dollar on the table that looks reasonably good, take it, because it sure isn't going to be there tomorrow."

The three major networks last year pocketed $1.8 billion in sports ad revenue. But whether advertisers will help the networks surpass that amount this year remains to be seen.

Record breakers

Major TV sports contract expenditures, by network

1.	CBS	$3,682,000,000
2.	NBC	1,791,000,000
3.	ABC	1,075,000,000
4.	ESPN	975,000,000
5.	TNT	725,000,000

Source: Network reports

Indicative of the sagging fourth-quarter TV sports marketplace:

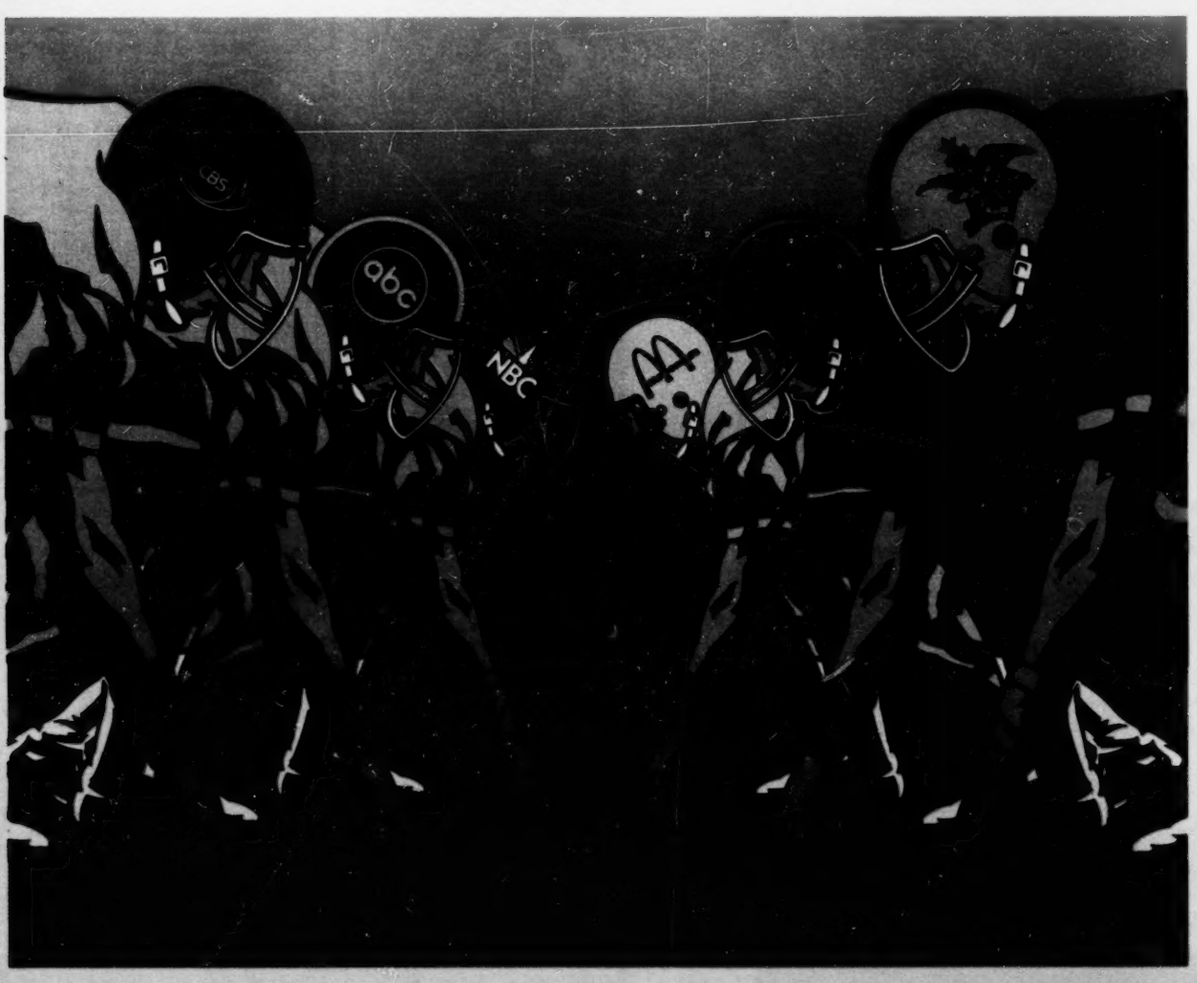
- ABC lowered its asking price 7.7% for 30-second spots on "Monday Night Football" to $240,000 and reduced the number of beer spots in each game from 10 to eight to secure commitments from Anheuser-Busch and Miller Brewing Co.
- Turner Network Television, selling its new National Football League commercial time, has slashed initial 30-second prices from $80,000 to about $50,000.
- CBS has come way down from its asking prices for Major League Baseball playoff and World Series games. League Championship Series prime-time 30-second spots can be had for as low as $115,000, down from $135,000 per unit on NBC last year. CBS is asking $300,000 per World Series unit, down from ABC's 1989 price of $310,000.

"The softness in the sports marketplace is hurting all of the networks, and let me tell you this, it's going to continue," says an executive with one of sports television's top five advertisers. "But we didn't tell the networks to go out there and make those kinds of rights deals."

In the last 30 months, major national and international sports leagues and organizations have extracted more than $8.2 billion from the TV industry for the privilege of carrying sports events.

The networks have attempted to cover the rights fees by passing on costs to advertisers, who have become increasingly hesi-

(Continued on Page S-8)



REVIEWING STAND

Writers speak up for guys in booth

The prototype sports broadcaster has two principal traits: He's a good-natured but rambling chatterbox, and he's not spontaneous enough to utter anything besides cliches—*"He did what he had to do"*—or I-remember-when stories.

We asked sportswriters to name the play-by-play men and analysts who transcend this image.

Steve Woodward, *USA Today*: Mr. Woodward chooses ABC's Al Michaels as his favorite announcer.

A. Michaels

"There's some security that viewers get from a sameness in a voice. He doesn't turn on a switch that makes him a football announcer at a football game and another switch that makes him sound like something else at a baseball game or a track meet."

As top analyst, Mr. Woodward selects another ABC property, Dan Dierdorf of the "Monday Night Football" crew.

Mr. Dierdorf "doesn't ever overlook the fact that 'MNF' is entertainment, and that he to some extent is an entertainer," Mr. Woodward says.

Larry Stewart, *Los Angeles Times*: Mr. Stewart fingers Vin Scully, the longtime Los Angeles Dodgers play-by-play man, as his favorite announcer.

J. Madden

"Over the years he's really remained at the top," Mr. Stewart says.

His favorite analyst is CBS football commentator John Madden.

"He's in a class by himself. Besides being entertaining, he really tells me things I don't know."

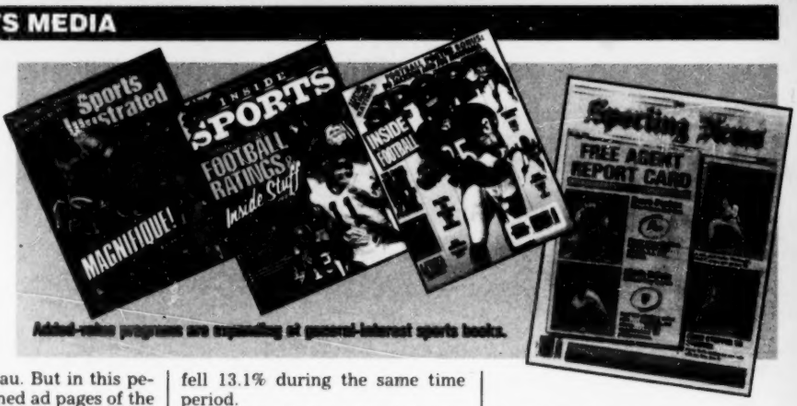
Steve Nidetz, *Chicago Tribune*: After reeling off a litany of favorite past and present announcers, Mr. Nidetz settles on Jack Quinlan, who called Chicago Cubs games in the late 1950s and early 1960s.

"Even with real bad teams on the

(Continued on Page S-8)

New tricks to escape batting slump

Magazines go after new categories



Added-value programs are expanding at general-interest sports books.

By Scott Donaton

Hammered by deep cuts in automotive and tobacco spending, sports magazines are scrambling to attract new categories. Accomplishing this goal is increasingly crucial as competition becomes more fierce and advertisers tighten their belts.

"In five years, I'd be surprised as heck if there are still two monthlies," says an executive at one sports publication.

Total consumer magazine ad linage fell 3.3% in the first half of 1990, according to Publishers Information Bureau. But in this period, the combined ad pages of the nation's largest general-interest sports titles—*Inside Sports*, *Sport*, *Sports Illustrated* and *The Sporting News*—dipped 14.5%.

Category leader *SI* saw its ad pages drop 16.5% through June. Ad pages at Times Mirror's *TSN* fell 13.1% during the same time period.

Thomas Hickey, *SI's* ad sales director, calls 1990 "a very tough year."

In a weak ad market, magazines not considered to be core buys are often the first to fold.

"There are too many sports books, and in a soft market you want to concentrate on the leaders," says Jay Schoenfeld, exec VP-media director, Backer Spielvogel Bates, New York.

Media watchers suggest *Sport* and *Inside Sports* increasingly will be slugging it out as the market tightens because the two monthlies are the most similar and don't offer the frequency and cachet of *SI* or the statistical, hard-core-fan approach of *TSN*.

The heads of the two magazines say they can coexist, but offer a similar definition of their publications' editorial intent.

"We do in-depth analysis," says Jerry Croft, senior VP-marketing for Century Publishing's *Inside Sports*. "We have access to people who really know about sports."

"Our position is to let fans know a little more from inside and behind the scenes," says Terry Shiver, president of Petersen Publishing's *Sport*.

Sport maintains a circulation edge with an 850,000 rate base compared with *Inside Sports'* 625,000, according to Century. But in ad pages, *Inside Sports* has passed *Sport*, Century says.

Of the four leading books, *Inside Sports* is the only one to gain ad pages this year. Its ad pages totaled 235.2 through June, a 4.8% gain, according to Mr. Croft. In this period, rival *Sport's* ad pages fell 21.7% to 183.2, according to PIB.

Fueling the shakeout speculation is the drop in tobacco advertising, which has sunk a whopping 34.9% to $15.8 million through June among these books, according to PIB and *Inside Sports*. The falloff was largely the result of R.J. Reynolds Tobacco Co.'s decision late last year to cut 1990 magazine spending 25%, a drop of more than $26 million.

Automotive spending also fell 27.5% to $42.1 million through June in these books, PIB and *Inside Sports* report.

Publishers say they're cautiously optimistic auto spending will rebound in the fourth quarter on the strength of new-car launches and a number of corporate image campaigns expected from Detroit.

But tobacco spending, which in *SI*, *Sport* and *TSN* increased 7.7% from $39.6 million in 1988 to $42.7 million last year, according to PIB, may never return to its former levels.

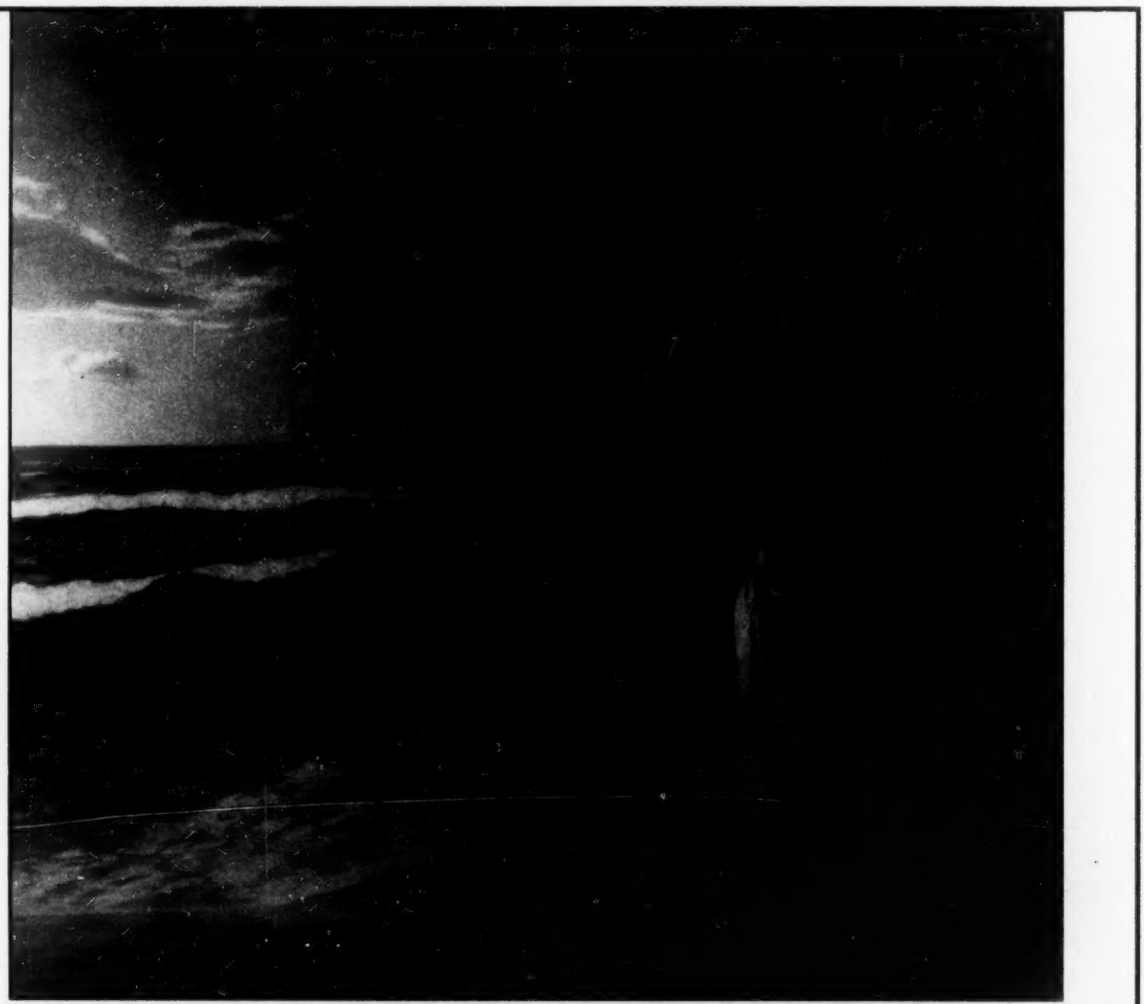
"Tobacco's gone forever," says Martin Walker, president of Periodical Studies Service, a New York-based magazine consultancy.

"We certainly haven't given up on tobacco or automotive, but we're working very hard on every men's category there is," says Mr. Shiver.

Although magazines have courted new product groups, buyers wonder how these titles can help their clients.

Bob Zach, senior VP-media director, Chiat/Day/Mojo, New

(Continued on Page S-6)



GOLF OVER SEAS. Prime Network has the drive to oversee major golf events never shown before in the United States. Tournaments from Scotland. England. Mainland Europe. Australia. Featuring some of the game's most celebrated players.

We bring you exclusive coverage of major European tournaments like the Volvo PGA Championship, the Dunhill British Masters, Bell's Scottish Open, the English Open, and the Panasonic European Open.

But that's just the beginning. From there, we head down under for exclusive coverage of the Australian Open, the Johnnie Walker Classic, and the Australian Masters. And all the while, Prime Network's coverage of North American action is in full swing. With multi-round coverage of select major LPGA events. And our exclusive *On Tour* show that highlights a different PGA Tour event each month.

For exclusive worldwide golfing action, turn to Prime Network. The world's largest independent sports programming company.

Call your Prime Network representative at 214-401-0099 today.

PRIME NETWORK™

TO THE SPORTS FAN, THERE'S A WORLD OF DIFFERENCE.

Prime Network is distributed to regional sports networks: Home Sports Entertainment, Sunshine Network, Prime Sports Network (FSN)-Rocky Mountain, FSN-Midwest, FSN-Upper Midwest, FSN-Intermountain West, Prime Ticket Network, KBL Sports Network, Prime Sports Northwest, Pacific Sports Network, SportSouth, Madison Square Garden, Home Town Sports, Pro Am Sports System, New England Sports Network.

Power hitters

Always interested in the home team, fans help push regional sports nets into the picture

By John McManus

George Steinbrenner did at least one thing right.

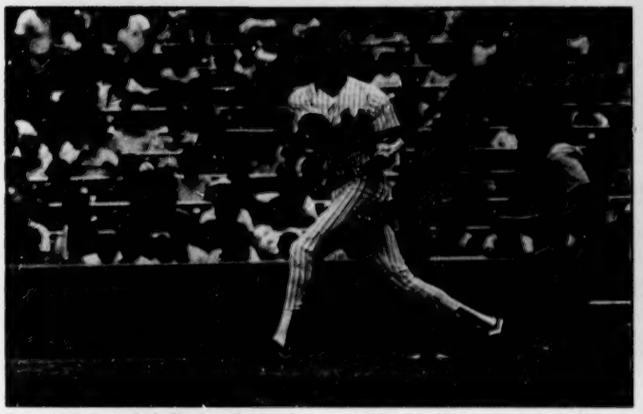
Although he's being relieved of control of the New York Yankees, who have been patsies on the field this year, a rights deal with a regional sports cable network is making the 1990 Yankees a powerhouse at the bank.

Regional sports networks such as Madison Square Garden Network, now in the second year of a 12-year, $500 million pact to televise Bronx Bomber games, are the most recent money machine in the megabucks world of TV sports.

The number of regional sports networks has jumped from about 10 to 33 in five years, and these outfits will collect up to $408 million in subscriber and advertiser revenues this year.

Currently, regional sports networks, which focus their coverage on local team events for subscribing homes in their areas, reach about 30 million homes, with at least one channel in virtually every part of the U.S.

"With the amazing proliferation of viewing options out there, especially the number of nationally telecast baseball games, fans will always be interested in their home team," says Douglas Moss, VP-advertising for MSG Network. "That's why you've seen so many of these operations springing up recently."



Roberto Kelly and his Yankee teammates may not be dazzling opponents on the field, but the team is doing quite well financially.

Not only are the subscriber rolls growing, but so is advertiser interest. According to John Mansell, senior analyst at cable consultant Paul Kagan Associates, advertisers this year will spend about $102.1 million for commercial time on regional sports nets, up 37.4% over last year's $74.3 million and 96.7% over 1988's $51.9 million.

Although Mr. Mansell estimates that advertising represents only between 25% and 35% of total regional sports network revenues, it represents a growing portion of those networks' revenues.

"From an advertising point of view, we've only begun to scratch the surface," says John Severino, president-ceo of Los Angeles-based Prime Ticket Network, the largest regional sports network with 4.1 million subscribers. The percentage of advertising's contribution to Prime Ticket's total revenues rose from 15% to 50% from October 1988 to October 1989, he says.

But the cable networks have had to address several concerns in their quest for programming that will result in more ad dollars.

They risk falling into the trap that plagues the broadcast networks—engaging in bidding wars and winning contracts at prices that revenues might not offset.

MSG Network had to outbid rival SportsChannel New York for the bitterly contested Yankee rights. Despite the cost, an MSG Network spokesman says the station expects Yankee broadcasts to be profitable.

Most regional sports nets are either affiliated or owned-and-operated by one of two national companies, Prime Network or SportsChannel America, which in some areas compete against each other for broadcast rights.

SportsChannel America represents both the national repository for programming for its affiliated channels and the basic, stand-alone programming service for areas without a regional SportsChannel affiliate. The latter entity has not drawn subscribers as expected. But the individual channels have viewerships that are growing, though at different rates.

"Initially, we expected competition in certain markets, but not quite the competition that emerged," says John Mohr, president of the SportsChannel Regional Network. "It's taken a lot of discipline and restraint not to overbid on events."

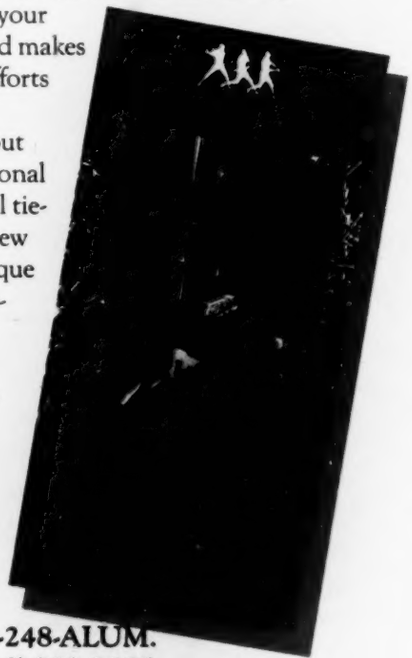
Still, Mr. Mohr feels that, to

Feller, Mudcat, Fidrych, Ford and Lefty. And that's just for starters.

If you have big league dreams for your product or service, we'd like to introduce you to our lineup. It's a whole team of legendary baseball alumni devoted to the game plan that fits your marketing strategy. Drives home your brand advertising. And makes your merchandising efforts big hits.

For information about national and international event and promotional tie-ins, call today for our new marketing guide to unique and proprietary opportunities with major league clout.

Then we'll bat some ideas around and come up with a program that'll knock your sox off!



Get the Marketing Guide today.
Call toll free: 1-800-248-ALUM.
In Pennsylvania (412) 928-0885.

MAJOR LEAGUE ALUMNI MARKETING, INC.

381 Mansfield Avenue, Suite 115
Pittsburgh, PA 15220

Magazines

(Continued from Page S-2)

York, notes that most of these magazines have smaller readerships that are already addressed through broader buys.

"What do [other books] bring to the party?" he asks. "It's usually nothing."

Like numerous publications, sports titles also are instituting value-added programs to keep existing business and attract new advertisers.

Earlier this year, *SI* signed a wide-ranging deal with PepsiCo's Diet Pepsi that included an ad schedule in the magazine, video sponsorship and promotion.

The deal was *SI's* largest ever and represented a new strategy for Diet Pepsi, which had previously shied away from magazine advertising.

The key to improving perfor-

Bad swing in sports books

Ad page totals	Jan.-June '90	% change vs. Jan.-June '89
Sports Illustrated	1,242.8	-16.5
Sporting News	255.5	-13.1
Inside Sports	235.2	4.8
Sport	183.2	-21.7

Source: Publishers Information Bureau; Inside Sports

LOUISIANA SUPERDOME

♦ New Orleans Saints ♦ Super Bowl ♦ Sugar Bowl ♦ Tulane Green Wave ♦ Mardis Gras ♦ Ice Capades ♦ Rock Concerts + other events attracting 3 Million Fans a year.

Backlighted Bulletins & Dioramas in sizes and packages to fit any ad budget.

For details call Diamond Vision, Inc.
(800) 847-6565 NY: (212) 688-5760

paraphrase the sports cliche, both networks have come to play.

"I don't think you'll see a shakeout. Both teams seem pretty committed to staying in the business," he says.

"I don't see us trying to overtake any of the SportsChannel networks," comments Ed Frazier, president-ceo of Prime Network.

But competition is not just limited to broadcast-rights skirmishes. It also involves a battle for audiences and advertising dollars among broadcast networks, syndication and national cable networks. Perhaps the toughest battle will be between regional sports nets and local broadcast stations, because of their programming's local coverage and comparable spot pricing.

Some industry experts have begun to question whether the sports marketplace can support so many viewing venues. However, media buyers welcome the increased competition among the properties.

"With the interest level assured because of the home team attraction, we see regionals as a great opportunity for leveraging spot dollars vs. broadcast stations that don't have the same compelling original programming," says Howard Nass, senior VP-corporate director of spot broadcasting at Foote, Cone & Belding Communications, New York.

Working against the networks, however, is client and agency reluctance to shift dollars into a medium without solid ratings numbers.

Group W Sports Marketing, which handles national ad sales for 10 regional networks, is working with Nielsen Media Research to try to obtain "unwired network" ratings for a package of weekly football games slated for this fall.

"We're big fans of the concept," says Ron Von Urff, VP-associate media director at J. Walter Thompson USA. "Once they come in with ratings similar to an unwired, we'll be able to make them a part of our national television mix." □

mance, says *TSN* President-CEO Thomas Osenton, is "understanding why, for example, Coke aligned itself with the NFL. Then we can help them maximize that buy in a traditional way and a non-traditional way, by helping the company develop promotional opportunities to support the buy."

Inside Sports is negotiating a package with Kraft Foods USA but declined to reveal details.

Indicating the maturity of the core marketplace, some of *SI's* biggest action has come outside its pages.

Backed by Time Warner's deep pockets, *SI* launched *SI Business* last year, a six-times-yearly supplement mailed to 500,000 subscribers. Other line extensions, such as *Sports Illustrated for Kids*, books and videocassettes and a credit card, pulled in revenues of $25 million last year.

Mr. Walker urges the publications not to abandon their mission yet, saying there may be room for everyone in the category.

He blames the sports books' current woes on their inability to market themselves to advertisers.

"I think [sports books] have undermarketed themselves, and they have to convince marketers that they represent an important, relatively affluent market," he says. "There's a lot more money there than people think." □

10 million ways to tap beer drinkers

Execs asked to solve TV sports glut

By Steven W. Colford

Call it the $10 million solution.

If big-name sporting events are losing their luster as an advertiser's shortest distance to males ages 18 to 49, then what media alternatives add efficiency?

That was the question posed to media buyers and agency executives who were asked to spend $10 million for a fictional beer client in whatever manner deemed best to hit that target market.

Mark Goldstein, president of Earle Palmer Brown Cos., Bethesda, Md., wasted no time deciding how he'd use his $10 million.

"One thing that comes to mind right away is that I'd try to buy every stadium and arena scoreboard contract in the U.S.," he says.

"That would go through the $10 million pretty quickly, but it would be worth it. Not only are you reaching the million or so that show up in arenas each year, but every time you're on TV, there's additional exposure."

Mr. Goldstein says he considers the ap-

> **"One thing that comes to mind is I'd try to buy every stadium and arena scoreboard contract in the U.S."**

peal of stadium boards so great that he'd sooner drop his imaginary $10 million there than on the Super Bowl or another televised sporting event.

"In this area with the Baltimore Orioles,

(Continued on Page S-8)

Five ways to be a sports marketing hero:

CBS/FOX Video Sports has opportunities for you to drive traffic better than Hickious drives golf balls. We can take you far ahead of the field with premium sales and unique cross-promotions. Here's how you can do it:

1 TEAM UP WITH AN ALL-STAR.
CBS/FOX Video Sports has ongoing relationships with the hottest, most established names in sports. We're tied in with the NBA, Major League Baseball, ABC Sports, NBC Sports and CBS Sports, just to name a few.

2 PLAY IN THE MAJOR LEAGUES.
CBS/FOX has already been to the big games with heavy hitters such as Anheuser-Busch, Jeep/Eagle, Sports Illustrated, Mennen, Lincoln-Mercury, Miller and Procter & Gamble.

3 CRUSH YOUR OPPONENT.
Some of our programs have already been utilized to help major corporations get a leg up on their competition. After the Pistons bounced the L.A. Lakers from the '89 NBA Finals, the Greater Detroit Jeep/Eagle Dealers gave away our "Motor City Madness" tape with a test drive.

4 STAR IN THE BIG GAME.
CBS/FOX is at center court for the U.S. Open, the NBA Finals, the World Series and Championship Fights.

5 GO WITH THE WINNER.
CBS/FOX simply has the biggest and best sports catalog in the business. Our team includes Magic Johnson's "Put Magic in Your Game," "The Leonard/Hearns Saga," "The Official 1989 World Series Video," "Monday Night Madness, The Very Best of Monday Night Football," and highlights from three decades of ABC's Wide World of Sports.

For the full story and a free catalog, call or write John Gattney, CBS/FOX Video Sports, 1211 Avenue of the Americas, New York, NY 10036, (212) 819-3309.

CBS FOX VIDEO SPORTS

© 1989 The CBS/FOX Company. All rights reserved. CBS® is a trademark of CBS Inc. used under license. FOX® is a trademark of Twentieth Century Fox Film Corporation used under license.

$10 million beer question

(Continued from Page S-7)
for example, there are 1.5 million people who see the game in person plus about 150 games on cable and about half the games on local broadcast," he says.

"It's the national game, sometimes with a national TV audience," he continues, "and if the scoreboard is seen five or six times a game . . . you can establish yourself as an important player for beer drinkers based on the repeated exposure, in person and televised."

Taking a more traditional approach was Cathy Farrell, president of Farrell Media, New York, and perhaps best known as the media buyer for George Bush's 1988 presidential campaign.

"If this was $10 million for an account that was on an equal level with the other top beers in sports advertising, then I'd probably put it into late-night programming—NBC-TV's 'Tonight Show,' 'Late Night With David Letterman'—and syndicated sports," Ms. Farrell says.

Ms. Farrell notes about 25% of all beer drinkers consume some 75% of all beer, "and the best place to get to that core is sports, without a doubt, and then prime time."

But if Ms. Farrell's mystery brewery client were not in the league of Anheuser-Busch Cos. or Miller Brewing Co., her strategy would be different.

"If I'm No. 5 in that category, then I'd just add that $10 million to my overall sports buy," she says.

Hal Carlson, media planning supervisor, Martin Agency, Richmond, Va., offers a third view.

"Well, $10 million is nothing," Mr. Carlson says. "So I'd be forced to look elsewhere . . . where there are a number of regional opportunities left."

Mr. Carlson admits finding the alternative buy would involve a "pretty labor-intensive" search but thinks pushing a company's name on a regional scale could do the trick.

> "I think that $10 million could still have a significant presence on cable for something like the Winston Cup NASCAR racing."

"In the Southeast you have something like Atlantic Coast Conference basketball that's available, or Big 10 basketball [in the Midwest]," he says.

Auto racing also stimulates Mr. Carlson's interest.

"I think that $10 million could still have a significant presence on cable for something like the Winston Cup NASCAR racing," he says.

Ed Irons, VP-associate media director at McFarland & Drier, Miami, figures that A-B and Miller have locked up ESPN.

As a result, he'd put his money into alternative events. Mr. Irons developed a multimedia, six-prong strategy:

- $3.7 million into cable. Mr. Irons would put about 24 spots a week for 10 weeks on various cable networks, including TBS, TNT, USA Network and the SportsChannel stations.
- $2 million into network radio. It's "a really efficient way to tie into the men 18-to-34 target with a lot of frequency," Mr. Irons says.
- $2 million to sports anthologies, such as "Wide World of Sports," over a 10-week period. "The most important thing is that we don't need to buy these programs upfront, so they're still available," he says.
- $1 million into syndicated sports programs, such as truck pulls, hydroplane races, NASCAR races, rodeos, pro beach volleyball and off-road trucking.
- $750,000 on televised Hispanic sports programs, game shows and talk shows with on-air contests. "The merchandising allows us to put our products in the shows themselves," explains Mr. Irons.
- $500,000 into print. Mr. Irons would put *Sports Illustrated* and *Rolling Stone* on the plan, as well as *Penthouse* and *Playboy* for their spring break programs.

Although his $10 million is spent elsewhere, Mr. Irons predicts that by the year 2000, the hottest properties will be pro and college basketball and skiing. □

Free-lance writer Kathy Martin contributed to this story.

TV pays to play in big leagues

Major television sports broadcast fees ($000,000)

	Price	Network	Length
National Football League	$1,060.0	CBS	4 years
	900.0	ABC	4 years
	752.0	NBC	4 years
	450.0	ESPN	4 years
	450.0	TNT	4 years
Major League Baseball	1,060.0	CBS	4 years
	400.0	ESPN	4 years
NCAA men's basketball	1,000.0	CBS	7 years
National Basketball Assn.	600.0	NBC	4 years
	275.0	TNT	4 years
1992 Summer Olympics	401.0	NBC	
1994 Winter Olympic	300.0	CBS	
1992 Winter Olympics	243.0	CBS	
CFA (college football)	175.0	ABC	5 years
College football	125.0	ESPN	6 years
National Hockey League	51.0	SCA*	3 years
Notre Dame college football	38.0	NBC	5 years
PGA Championships (golf)	19.0	CBS	4 years

Sources: Network reports; *SportsChannel America. Advertising Age chart: Holly Seguine

Opportunity

(Continued from Page S-1)
tant to meet them.

"Overall, I think the networks overestimated the demand side of the equation in their bidding," says Marc Goldstein, senior VP-director of national broadcast programming at Lintas:USA, New York. "Their estimates were colored by the competitive arena in the automotive industry that doesn't exist in other sports categories.

"They also failed to realize that there is a point when they cross a certain price line that forces advertisers to look hard at alternatives," he continues.

"A few years ago, there weren't alternatives that could hold up to what we needed as advertising vehicles. But now there are."

Contributing to the softness is the expiration of long-term advertising agreements.

The networks traditionally forge commitments from major sports advertisers to run the length of their TV contracts. In the last 12 months, an unprecedented number of contracts have expired, forcing the networks to scramble to re-sign major advertisers.

The relative surplus of inventory—"$90 million in brand-new NFL inventory," according to Mr. Novenstern—has allowed advertisers to take a tougher stance on pricing.

The automakers came in quickly and spent heavily to lock up their positions in telecasts. However, network sports power players A-B and Miller have held their ground.

Miller, a long-standing major advertiser on network baseball, has balked on CBS' pricing, and A-B bought only four units per game.

That leaves eight beer commercial units per game—a potential revenue base of $35 million for CBS—going begging for advertisers. The beer companies also succeeded in cutting down their required number of purchases in the National Basketball Association and NFL.

"This upfront has showed a migration out of sports," says Alan Gottesman, an analyst for Paine-Webber. "The pricing is too high. It reminds me of 1984 when daytime went through the roof and [advertisers] moved to cheaper dayparts. Sports sales are under a great deal of pressure since the networks are paying [higher rights fees]."

Mr. Gottesman also notes the two major sports categories are facing increasingly intense ad pressures. Automakers' ad costs are up and business is down. Beer and wine advertising, he says, "could go the way of cigarette [TV] advertising. What happens if you lose that category? You lose an important bidder at the auction and prices go down." □

Writers

(Continued from Page S-1)
field, he could bring the team alive and not get carried away," Mr. Nidetz says.

For an analyst, Mr. Nidetz selects Tony Kubek, formerly of NBC and now with Madison Square Garden Network in New York.

"His knowledge of baseball is so good that he doesn't get caught up in telling the old stories over and over again."

Steven Goff, *Washington Post*: NBC's Marv Albert and ABC's Mr. Michaels tie as Mr. Gofi's best play-by-play announcers.

"They both bring a level of professionalism to the business that is much needed. They're smooth," Mr. Goff says.

His favorite analyst is Dick Vitale of CBS' college basketball team.

"He brings excitement to the game and doesn't take it too seriously."

Prentis Rogers, *Atlanta Journal-Constitution*: Mr. Rogers selects former NBC play-by-play announcer Curt Gowdy as his favorite.

"I remember his voice being very distinctive, and I just liked the way he called the game. He had an air of excitement in his voice but didn't try to overplay what was happening."

As for an analyst, Mr. Rogers names Mr. Madden.

"He casts an essence of what an analyst is supposed to do—technical observations mixed with humor and an enthusiasm that's very genuine for the sport." □

—Compiled by Sarah Polster, Alicia Lasek and Junu Bryan Kim

WE DO SPORTS

— Get top sports personalities at the right price. —

(203) 629-9098 Athletes In Advertising
a unit of Chestnut Communications, Inc.

When Image Counts, Reach For The Stars...

A well-earned reputation can reap more than respectability. Curtis Management Group exclusively represents over fifty of the greatest sports legends as well as several entertainment, historical and musical personalities for all promotional and merchandising uses. Additionally, some family members of our entertainment stars, as well as several sports figures, are available for personal appearances. Our extensive photo archive of these legendary figures is also available for use. Contact us for a complete listing of the clients we represent and we can discuss how you can include the stars in your next campaign.

CURTIS MANAGEMENT GROUP
a division of The Curtis Publishing Company
1000 Waterway Boulevard
Indianapolis, Indiana 46202
Telephone (317) 633-2050
Telefax (317) 633-2047

PARTIAL CLIENT LISTING

ENTERTAINMENT	HISTORICAL	MUSIC	ORGANIZATIONS	SPORTS			
James Dean	Frank Lloyd Wright	J.P. "Big Bopper" Richardson	Indianapolis Motor Speedway	(Baseball)	Cy Young	(Football)	(Olympics)
Fred Astaire	Mark Twain	Buddy Holly	Hollywood Chamber of Commerce	Babe Ruth	Roberto Clemente	Vince Lombardi	Jesse Owens
Humphrey Bogart	Will Rogers	Ritchie Valens	Hollywood "Walk of Fame"	Ty Cobb	Pie Traynor	Jim Thorpe	(Boxing)
James Cagney	Amelia Earhart	Hank Williams, Sr.	Amateur Athletic Union	Lou Gehrig	Harmon Killebrew	Willie Davis	Joe Louis
					Honus Wagner	Ernie Stautner	Rocky Marciano

Drug marketing

(Continued from Page 1)

free drug samples.

The latest Kennedy inquiry comes just a few months after Rep. John Dingell (D., Mich.), chairman of the House Energy & Commerce Committee, asked the Food & Drug Administration to provide an update on direct-to-consumer advertising of prescription drugs.

Dingell aide Dennis Fitzgibbons said hearings might be held this fall on whether drug companies use "loopholes and inconsistencies in the law" to advertise prescription drugs to consumers.

Rep. Dingell was prompted by a resurgence of consumer advertising, which he considers to be outside FDA guidelines (AA, April 2).

So far, Sen. Kennedy's committee office has been quiet about its plans. Committee spokeswoman Lorrie McHugh said only that the probe is "within the committee's jurisdiction."

She said fall hearings are possible, but the committee hasn't completed its calendar.

"At this point it's difficult to tell what they are probing for and whether any bills will be drafted," said a spokesman for the Pharmaceutical Manufacturers Association. "They are compiling a very comprehensive look at drug companies' advertising and promotional practices. But they are being very closed about where all this is heading."

A member of the Kennedy committee told the Pharmaceutical Manufacturers Association in June the committee was concerned about a return to "unsavory" pharmaceutical promotional practices, according to the newsletter *F-D-C Reports*. Such practices include lavishing gifts on doctors and sending them on junkets.

Executives at medical ad agencies are accusing Congress of seeking an easy publicity target to blame for spiraling healthcare costs.

"It's not clear whether this will develop into anything, but it seems Dingell and Kennedy want to trot out the drug industry as a whipping boy," said William Castagnoli, president of Medicus Intercon International, New York, the nation's leading medical ad agency.

Robert Portman, president of M.E.D. Communications, a Woodbridge, N.J. medical agency, said he's concerned the politicians apparently want to control the flow of information to both physicians and consumers.

"This is a dangerous trend in terms of regulating what we can hear," Mr. Portman said. "It's the same as a ban on liquor or cigarette advertising—should this be the kind of effort with which a legislator concerns himself?"

Like Rep. Dingell, Sen. Kennedy has also asked for and received information from the FDA regarding consumer advertising of prescription drugs. But an FDA official and others said Sen. Kennedy seems particularly interested in the industry's sponsorship of continuing medical education.

Drug companies typically sponsor seminars about new drug therapies, including information about their own drugs, for which physicians get continuing medical education credits. The seminars are usually tied to an academic institution and feature well-known physicians as speakers.

Drug industry sources say because the seminars include information about a drug company's products, Sen. Kennedy apparently considers the seminars inherently biased. □

Sears

(Continued from Page 1)

"everyday low pricing" format 18 months ago, Sears has greatly boosted ad spending, but sales haven't responded.

"The fact that Sears isn't king of the hill anymore is . . . a very hard pill for people at Sears to swallow," said Sid Doolittle, a partner at the retail consultancy McMillan/Doolittle.

Sears' 1990 yearend sales are expected to be about $32 billion, just slightly ahead of last year's sales of $31.6 billion and tied with Wal-Mart Stores. But K mart's sales this year are expected to total $32.5 billion, according to analysts' estimates.

One way for Sears to maintain its No. 1 ranking would be to merge with another retailer. The company disclosed last week that it discussed "certain joint opportunities" with No. 9 retailer Montgomery Ward & Co.

However, statements issued by both companies said those discussions have been terminated.

Crain's Chicago Business reported the discussions almost certainly would have seen a spinoff of the Sears Merchandise Group to a new entity headed by Ward's Chairman Bernard F. Brennan, and had been under way for more than a year.

Although the talks were initiated by Ward's, sources said Sears' management team, led by Chairman Edward Brennan, is facing pressure from outside board members to undertake a dramatic restructuring that would result in a split of the company's retail and financial services operations.

The same sources also said that General Electric Capital Corp., which was a key financial partner in the buyout two years ago of Ward's from Mobil Corp., was a major player in the Sears-Ward's talks. While both companies now say they are committed to remain independent retailers, sources say GECC remains keenly interested in a transaction involving Sears.

Sears' income in the first half of 1990 fell 62.8% to $72.6 million compared with the same period a year earlier.

Sears' Mr. Bozic said the results of the first half compared unfavorably with the previous year's first six months because of last year's heavier sales following the biggest ad blitz in Sears' history for the everyday low price promotion.

"We knew the comparisons for the first half of this year would be difficult, but we said all along we expect things will improve, and they will," Mr. Bozic said. "Our Brand Central and Kids & More power formats are going to be the best in the business."

Sears increased its measured media spending 34% in 1989 to $525 million, primarily to support its everyday low pricing ad blitz. The surge propelled Sears to the No. 4 spot among all U.S. advertisers in 1989 from No. 12 in 1988.

K mart's potential status as the No. 1 retailer "is not something we're terribly concerned about," said Orren Knauer, director of investor relations, K mart. "What we're trying to do is increase our sales in order to increase profits, and being No. 1, No. 2 or No. 3 is not a corporate goal."

Wal-Mart wouldn't comment on its status among the top three retailers. □

Patricia Strnad contributed to this story.

It's Hype, Hype Hooray for new book by Trump

By Jennifer Lawrence

Brace yourselves. The new and improved Donald Trump will make his debut in bookstores nationwide Aug. 15.

That's when Random House unveils "Trump: Surviving at the Top," Mr. Trump's sequel to his 1987 best seller, "The Art of the Deal."

The publisher, sure that the market is ready for more Trump tales at $21.95 a copy, convinced the tycoon to move up the publication date from October and ordered 500,000 copies for the first printing.

Random House has a flexible marketing plan for the book, said Joni Evans, exec VP-publisher of the company's adult trade division. Although $200,000 has been budgeted for a newspaper campaign, it may be tripled or slashed to zero.

"We may spend $600,000 or nothing," Ms. Evans said. "It's totally unpredictable with Donald. Donald works differently from other authors. He has his own sense of rhythm. . . . He understands the art of promotion."

That art will be to maximize free media exposure before committing to buying ad space. Random House's theory is that just about everyone is waiting to hear The Donald's version of his ongoing financial and marital woes.

Though details are secret and literally under guard, Ms. Evans said the book's content is "intimate, realistic, and honest and right on," focusing on "things people haven't heard yet on the banks, Ivana and the divorce. The book is extremely surprising and disarming."

Random House is anticipating a barrage of media attention during the first week.

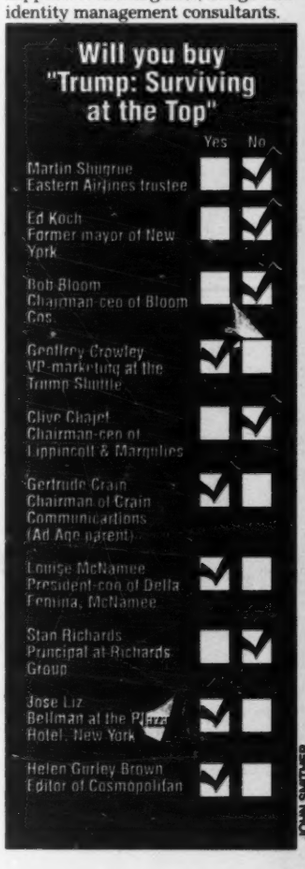
As the book makes its impact, Random House executives will plot their ad strategy.

"The book is famous before it has appeared," said Peter Osnos, Random House adult trade division associate publisher and Mr. Trump's editor.

"We are planning an ad campaign that will take shape as the book lands in stores. . . . The strongest thing that any ad can do is [say] that the book is here—an announcement ad. What we do [next] will depend on how the book is received," Mr. Osnos said.

Advertising is handled in-house.

Even with a lot of support, the book has "an unfortunate title," said Clive Chajet, chairman-ceo at Lippincott & Margulies, image and identity management consultants.


Will you buy "Trump: Surviving at the Top"
Yes
No
Martin Shugrue Eastern Airlines trustee
Ed Koch Former mayor of New York
Bob Bloom Chairman-ceo of Bloom Cos.
Geoffrey Crowley VP-marketing at the Trump Shuttle
Clive Chajet Chairman-ceo at Lippincott & Margulies
Gertrude Crain Chairman of Crain Communications (Ad Age parent)
Louise McNamee President-ceo of Della Femina, McNamee
Stan Richards Principal at Richards Group
Jose Liz Bellman at the Plaza Hotel, New York
Helen Gurley Brown Editor of Cosmopolitan
JOHN SMITHER

"To question survival in the title is already a problem, he said."

"We're expecting it to be one of the hottest books of the season," said Donna Passannante, spokeswoman for B. Dalton Bookseller. "We still think that regardless of his troubles, his name is still a big enough draw that people will want to hear what he has to say." □

Quaker

(Continued from Page 3)

brand, to help offset the sales declines it was risking in mature categories with the marketing strategy. But Gatorade suffered through soft sales in a cooler-than-normal summer.

"Quaker has a lot to accomplish in the next year," said Timothy Ramey, analyst with County NatWest Securities USA. "I think Quaker is going to have to focus on blocking and tackling, regaining market share and forget about financial performance. They need to get into the trenches with the big guys and slug it out for market share."

Mr. Ramey believes Quaker inevitably will have to restore marketing dollars to compete in those battles for share.

"In fiscal 1990, they tried to moderate spending, but their volumes fell out of bed. At least, they have to reverse this strategy," said Nomi Ghez, a Goldman, Sachs & Co. analyst.

"The problem isn't profit margins but sales," agreed William Leach, VP-analyst with Donaldson, Lufkin & Jenrette. "Quaker's in sort of a pickle. . . . Overall, their record of the past 10 years looks good, but much of it is window dressing. Good acquisitions like Gatorade have masked a lot of core problems."

But as Quaker starts a new fiscal year, insiders are optimistic Chairman-CEO William Smithburg and Exec VP Philip Marineau have a plan that can improve overall performance and help the company avoid a potential takeover.

Quaker gathered its Chicago-based work force at the Chicago Theater late last month. Employees at that meeting said Mr. Smithburg, Mr. Marineau and other divisional presidents discussed the disappointments of fiscal 1990 and plans for fiscal 1991; those at the meeting described it as "reinvigorating" and "passionate."

"People needed to hear something about how we are going to turn this around," said one employee. "It was good to hear that management is human and shares in the responsibility for what happened last year."

Mr. Smithburg "has acknowledged that he's gotten separated from the business in the past couple of years and plans to get more involved," another source said.

The company is planning to move ahead with Quaker Oven-Stuffs frozen sandwiches, rolling national in September with $22 million in marketing support, and sources hinted the company may introduce new pet food products in the coming year.

Management has listed ready-to-eat and hot cereals, Gatorade, microwave meals, foodservice and international operations as businesses it considers high growth, and it has focused marketing dollars on those areas.

Nevertheless, the ad budget for Gatorade has been cut to less than $30 million, from around $35 million, said sources close to the company. That likely will primarily affect Gatorade Light and Freestyle, flanker products introduced in limited areas this spring.

Some businesses will continue to get strong marketing support. For instance, Quaker last month broke a TV and print campaign for Kibbles'n Bits 'n Bits 'n Bits, its leading dog food. Two spots were produced, instead of the usual one, via J. Walter Thompson USA, Chicago.

A source said Quaker has "significantly" increased its ad budget for Rice-A-Roni.

"They have fairly aggressive sales goals and marketing goals, and have made plans to meet those goals," the source said.

Quaker broke a new campaign for Rice-A-Roni last month via Goldberg Moser O'Neill, San Francisco.

Gravy Train dry dog food will get its first substantial ad support in more than a year, sources said. Bayer Bess Vanderwarker, Chicago, handles.

Also, actor Wilford Brimley is expected to return in style this fall for Quaker's signature oatmeal line.

"They are continuing to support their principal cereal brands in a smart and aggressive fashion," said Jim Jordan, chairman of Jordan, McGrath, Case & Taylor, New York, agency for oatmeal and several ready-to-eat cereal products. □

Gary Levin contributed to this story.

AD REVIEW

Levi's buttons up and flies right with delightful Spike Lee ads

(Rating: ★ ★ ★ ★)

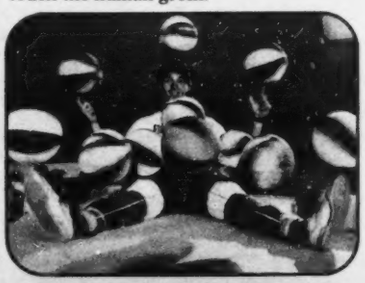
By Bob Garfield

Garfield

Now playing on a screen near you: Spike Lee's "Mo' Better Blues" and Spike Lee's mo' better "Blues."

Using the fabled, but outmoded, "501 Blues" campaign as a point of departure, director Lee and Foote, Cone & Belding, San Francisco, have stuck with the same camera techniques and psychological appeal, but seasoned them with humor, celebrity cachet and much-needed product focus.

The result is a remarkably unified new campaign that combines Bo Jacksonlike marquee value, individualist imagery of the Marlboro Cowboy school and the first unique selling proposition ever to touch the human groin.



Quirky pursuits, like spinning a bunch of basketballs at once, stand for the individualism promised by Levi's in an unusually product-focused 501 campaign.

The result is "Levi's 501 Button-fly Report," the best TV campaign so far this year.

The first nine spots portray young devotees of a particular idiosyncratic activity. There's a guy in Florida who spins nearly a dozen basketballs at a time, two Brooklyn teen-agers who speak fluently backwards, a tour guide at an Atlanta cemetery, a group of Waveland Avenue ballhawks outside Chicago's Wrigley Field and sundry other single-minded icons of iconoclasm.

We see them in their natural habitats, through the quick-cut, hand-held, occasionally b&w cinematic kaleidoscope we've come to expect from Levi's 501. Indeed, the camera angles, editing and general self-consciousness very much recall 501's last seven Leslie Dektor years. But this campaign has two things "501 Blues" never had.

First, there is Spike Lee, the personality—the first celebrity presenter to present from behind the camera. We don't see him, but we hear him banter with his subjects, and his trademark dual attitude of skepticism and wonder is everywhere. If Tom Wolfe is at one pole of the '90s Zeitgeist, Lee is at the other, attracting the young and ardent in large numbers.

His vision here is certainly superb, and so is his sense of detail. In one spot, on Coney Island, one of the backward talkers practices his craft at the snack bar. The counter girl hears the order, checks the menu board behind her, and says, "Ain't nothin' up there that says that." Later, she begins to catch on. When the boy asks for "pupchek," she asks "Ketchup?" Half disgusted with him, half pleased with herself, she fetches it, with just the hint of a sly smile.

A marvelous moment, just as it is marvelous when we meet a little guy who never catches any balls hit out of Wrigley Field because the other kids muscle him away. "Too small," he explains. "Yeah, be knockin' me around in there." But then he gets his first ever (off the bat of Joe Carter of the San Diego Padres. Really.).

There are many delights more, all adding warmth and humor to a framework that, in its last incarnation in the Dektor era, had grown labored verging on self-parody. The stars of these spots, unlike previous 501 "real people" aren't so hip it hurts.

You'd be forgiven for looking at Lee's discoveries—his backward talkers, his 365-day-a-year surfers, his loving Big Brother to several inner-city kids—and concluding the campaign is about dedication.

Look at how each of these adolescent heroes has cut against the grain, devoting countless hours to some esoteric pursuit that defines his very being—definition such as most teen-agers can only yearn for. A new Firebird or $140 Nikes might be objects of high school envy, but FCB has long understood that material emblems are nothing compared with an identifiable persona.

In adolescent psychology, self-image—or, more to the point, satisfaction with the image you project to others—means everything. Thus the influence of these charming ad verite characters. To adults, they are carefree young people with strange notions of how to amuse themselves. To teen-agers, who are never carefree, they are demigods.

Oh, and they wear 501 jeans. With a button fly.

And *that*, not dedication, not the director cult hero, is what this campaign is about—and what earlier campaigns ignored entirely. While "501 Blues" had deteriorated to where it was an empty celebration of phony individualism, these ads portray bona fide individualism as a showcase for the product's single, bona fide point of distinction. Lee's iconoclasts show up in Button Your Fly T-shirts, they talk about their button flys and they show us their button flys. "Fly buttoned?" Lee asks the cemetery guide. "Fly buttoned," he responds.

USP. Levi's ads gotta have it, and FCB did the right thing. □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

Outdoor falloff

(Continued from Page 3)

10 outdoor ad categories reported slight to significant spending declines in first quarter 1990 over 1989.

The automotive category saw the second-biggest decline, down 30%. Spending declines in that and other categories are attributed to the generally soft ad climate.

The publishing and media category was down 17%; spending by promotion-minded retailers also dipped 17%.

Overall, spending among the top 10 categories dropped 16% to $129 million *(see chart on Page 3)*.

Philip Morris USA, which earlier this year was targeted by anti-tobacco protestors, said it would take steps to ease community concerns over the proliferation of boards. Those steps include voluntarily limiting the number of tobacco boards in certain areas.

A similar policy restricting the number and location of tobacco- and alcohol-related boards also was issued earlier this year by the Outdoor Advertising Association of America.

Even so, whitewashing campaigns and community protests against tobacco and alcohol boards don't appear to be subsiding. Last month in Chicago, community activist Rev. Michael Pfleger led a group that whitewashed 40 outdoor boards.

In addition, federal and local legislation is on the horizon that could restrict advertisers' use of outdoor boards.

In Chicago, for instance, City Council Finance Committee Chairman Edward Burke has opened hearings on his proposed citywide ban of outdoor ads for tobacco products.

On the national level, U.S. Sen. John Chafee (R., R.I.) introduced a bill last April that would prohibit construction of new signs on federal highways, and Rep. John Lewis (D., Ga.) introduced a similar bill earlier.

Even with all these problems, most industry executives predict business will rebound later in the year. Some outdoor companies, like Gannett and Patrick Media Group, said they're stepping up marketing efforts to offset recent declines.

"For the rest of the year, I see the industry doing OK," said Gannett's Mr. Zitz. "The big question in our minds now as an industry is the fourth quarter."

Ron Pancrantz, senior VP-marketing and sales at Patrick Media, said package goods and automotive are coming back and will help strengthen the third and fourth quarters.

Some outdoor companies are targeting local business.

"We're concentrating on local sales in case media buyers on Madison Avenue decide that, because of what's going on with all the outdoor companies, it's not the way to go," said Neal Radding, VP-national sales for Whiteco. Whiteco hopes to tap into co-op promotional budgets by teaming with retailers to run ads for major national brands.

"Sure, [Patrick] is competition, but we need as many mouths out on the street selling this medium as we can."

"The trend is now for large marketers to look at making national programs available to local retailers," said Robert Dragotta, president of National Out-of-Home Media Sales.

Gannett's new Creative Challenge program "dares" ad agencies to come up with great creative for outdoor. Gannett offers prizes to the winning agencies and posts the winning board free in the creator's hometown.

The industry may be aided in the second half by a return to the offensive by Patrick. The No. 1 U.S. outdoor company, with 42,000 boards, recently took itself off the auction block.

"Sure, [Patrick] is competition, but we need as many mouths out on the street selling this medium as we can," said an outdoor executive who asked not to be named. "We're glad to have them back." □

Sports

(Continued from Page 4)

we're not going to roll a Trojan warhorse onto Sixth Avenue and dramatically change all our sports businesses. We're going to reshape them over time, but boxing is where we're most experienced, so that's where our first announcements will be."

The division will also set up a sports management and marketing operation to represent athletes for commercial endorsements, Mr. Abraham said.

"When we see a linkage between any of the athletes we're dealing with and the advertisers in the magazine group, we will create sponsorship opportunities for them," he said.

Further, "we're offering advertisers with an affinity for sports a new playing field," he said. "It might be a pay-per-view sponsorship opportunity, or maybe it will be a home video sponsorship. Ultimately, we may create sports events knowing full well that there's an advertiser who might be interested in an exclusive sponsorship deal."

Time Warner estimates that its sports-related businesses—including *Sports Illustrated*, HBO Sports, HBO Video and the sports arm of Licensing Corp. of America—amount to about $750 million annually in advertising and subscriber revenue.

"The sports gross national product in this country is between $60 billion and $65 billion," Mr. Abraham said. "Worldwide, the figure rises to about $120 billion. We feel we can make a good business of this, and we'll be competitive."

Mr. Tyson on Sept. 22 will fight the last bout in a three-year, seven-fight series on HBO that brought him $26 million. A similar pay-per-view deal could generate $190 million in revenues.

Cable services now reach about 60% of U.S. households; about 25% of those cable homes have access to pay-per-view.

"The venture makes a lot of sense from the point of view of aggressively going after pay-per-view properties," said Paul Bortz, president of Bortz & Co., a consultancy.

In 1989, two Sugar Ray Leonard fights generated $50 million in pay-per-view revenues. Mr. Tyson's 1988 bout with Michael Spinks to win the undisputed heavyweight title lasted 90 seconds and generated $21 million in pay-per-view revenues. □

Scott Donaton contributed to this story.

INDEX TO ADVERTISERS

Advertising Age	15,35	Discover	11E	People	7
ABC Nameboard	34	Discovery Channel	27	Ponygrad	4
AdPulse International	24	Fasteners for Retail	21	Prime Network	5-2
Athletes in Advertising	5-8	Forbes	5,9	Rainbow Advertising Sales Corp.	54/55
B & F Systems	105	Game Show Placement, Ltd.	13,35	Rodale Active Network	25
Boomak Plastics	6	Graphic Calculator Company	34	Schoenfeld, Chapman & Pearl Inc.	4
Bert and Ron's Company	10E	Heard Communications, Inc.	6	Shopping Center Network	4
B.I.G. Corp.	37	Home 2Mico Computing	8	Strategy Research Corp.	18
Caballero Spanish Network	20	Will Jordan	34	Taymor	13
CBS / Fox Video	5-7	Leading National Advertisers	30	Telemundo Group Inc.	19
Congressional Quarterly, Inc.	33	Major League Alumni Marketing, Inc.	5-6	Travel Channel	16
Crain's New York Business	11	Morton-Kane, Inc.	21	USA 800	6
The Curtis Licensing Corp.	8-9	Nielsen Clearing House	22/23	USA Today	5-3
Diamond Video	5-6	Out of the Blue Creative	18	Vorsolo Dahler & Associates, Inc.	40

0 14302 76871 1 33

C2710-1

NEWSPAPER

#4B**********5-DIGIT 20814
#020190949 6#01AA03352 99KYZ
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
BETHESDA

August 13, 1990

Copyright 1990 by Crain Communications Inc.

Advertising Age

Crain's International Newspaper of Marketing • In Three Sections • Section 1 • $2.00 • $2.50 in Canada • £3.50 in U.K.

Dentsu, Frankel huddle

May mean U.S. promotion link

By Scott Hume and Alison Fahey

Dentsu and Frankel & Co. are holding negotiations that could end the giant Japanese agency's search for a sales promotion partner.

The two agencies "are having discussions regarding the formation of an alliance to service Dentsu's Japanese-based clients in the U.S.," a spokeswoman for Chicago-based Frankel said last week.

She said there have been no discussions about Dentsu possibly acquiring an equity stake in Frankel, the third-largest sales promotion agency in the U.S. with 1989 sales promotion revenues of $23.2 million.

The talks with Frankel culminate months of rumors within the sales promotion field concerning Dentsu's possible interest in acquiring or aligning with a major U.S. shop.

Representatives of Dentsu—the world's largest ad agency with gross income last year of $1.3 billion—have met with several agencies in the U.S. and the U.K., including FKB Group and KLP Group, both based in London, about its desire for partners in sales promotion and direct marketing.

FKB's empire was broken up last week as many of its U.S. sales promotion agencies were either sold to Carlson Marketing Group or back to their management.

A top executive at a shop reportedly on Dentsu's list said the Japanese company is "very conservative. They're going to move slowly, but they're going to be a player in the U.S."

"Dentsu has been and is still looking for a working relationship with a U.S. promotion agency or network," said another agency source once engaged in similar talks with Dentsu executives. "They don't necessarily want to acquire [an agency] but want to associate with or have a trading relationship with someone here."

While Dentsu can tap the promotion serv-

(Continued on Page 51)

Martha Stewart's magazine project with Time Warner makes its debut in November.

Martha Stewart teams with Time

By Scott Donaton

Time Warner is developing an upscale women's lifestyle/how-to magazine with home entertainment queen Martha Stewart and will publish a first test issue in November, industry sources said.

The media/entertainment giant is said to be using the magazine as a springboard for other projects involving Ms. Stewart, including a line of books, videos and catalogs, and possibly even a TV series.

The test comes during a magazine industry ad page crunch that's hit women's titles particularly hard.

"We and Martha Stewart have basically entered into an agreement to explore a magazine project," said a Time Warner official who asked not to be identified. The official refused to discuss further details and said it's too early to speculate about future projects the company might undertake with Ms. Stewart.

The project is being developed under Time Publishing Ventures, a newly formed division of Time Inc. Magazine Co. overseen by S. Christopher Meigher as president-ceo. Eric Thorkilsen, director of development, is believed to be overseeing the magazine project.

Among the titles being considered:

(Continued on Page 51)

Fox's early start bogging down

By John McManus

Advertisers are getting uneasy about production delays that may push back the fall debut of some of Fox Broadcasting Co.'s expanded schedule.

Fox wanted to get a strategic jump on the Big 3 TV networks by premiering most of its fall series before the official Sept. 17 season kickoff. The Big 3 are also premiering some series before the season starts but not to the extent Fox planned.

It now appears at least three series—"Babes," "The Simpsons" and "Class of Beverly Hills"—will be delayed until possibly as late as October.

The three shows are part of Fox's Thursday night lineup, when competition from rival networks, particularly NBC, will be especially fierce.

A July 27 Fox memo alerted affiliated stations that the network's plan to get a jump on its rivals "must be constrained by the realities of the production process" and that revisions are required.

"Please bear in mind that premiere dates for all programs may change because of unavoidable production delays," said the memo, written by Preston Padden, Fox's senior VP-affiliate relations.

Advertisers had been warned new episodes of "The Simpsons" would be delayed, but Fox had planned to get "Babes," a new series, on the air by Aug. 23. Industry sources familiar with Fox say production on "Babes" won't even start until Aug. 23.

Officially, the network said it's now shooting for "an early to mid-September premiere." "Class" will premiere Oct. 4, Fox said.

Fox could be forced to air the first new

(Continued on Page 51)

LAST MINUTE NEWS

Gov't readies for cuts

WASHINGTON—The White House told the Federal Trade Commission, Federal Communications Commission and other agencies to prepare contingency plans for a 31% budget cut for fiscal 1991. The plans are to be turned into the Office of Management & Budget by Aug. 27. OMB said the plans would be needed if negotiated budget cuts don't meet Gramm-Rudman Act reduction targets. A 31% cut would mean an FTC budget of about $50 million and about $70 million for the FCC.

Seagram reviews Soho

NEW YORK—Seagram Beverage Co. said it's reviewing the Soho Natural Soda account and confirmed Chiat/Day/Mojo is off the business. The company wouldn't list contenders. Chiat said the brand hasn't been advertised for several months.

DMB&B gets Yellowhammer

LONDON—Financially troubled Yellowhammer was bought by D'Arcy Masius Benton & Bowles last week as Yellowhammer Chief Executive Tim Lefroy joined Young & Rubicam U.K. in the same post. That sparked the resignations of Y&R Joint Managing Directors Sue Coupland, 37, and Don Sperring, 39. Mr. Lefroy, 42, takes some duties from John Banks, who remains regional chairman for Northern Europe, Australia, Africa and New Zealand.

Separately, Chris Dickens, 46, will return to Y&R as worldwide media director, based in London. The post wasn't filled after Mr. Dickens left two years

(Continued on Page 8)

INSIDE

Marketers skittish about Iraq P. 3 • Outdoor backlash: Gallup P. 20 • Twin Peaks' Obsession P. 49

NEWS SUMMARY

■ **Time Warner** and home entertaining expert Martha Stewart will jointly develop a woman's lifestyle/how-to magazine and, perhaps, other related ventures. 1

■ **Dentsu** of Japan, the world's No. 1 ad agency, is negotiating with Frankel & Co., Chicago, the third-largest sales promotion agency in the U.S., "regarding the formation of an alliance." 1

■ **Fox Broadcasting's** production delays, which hamper its plan to beat the Big 3 networks with early fall premieres, are causing some concern among advertisers. ... 1

■ **Hallmark Cards** is testing the sale of fresh flowers in two markets. 3

■ **General Mills** continues to gain on leader Kellogg in the breakfast cereal share battles. 4

■ **Aspirin Free Excedrin,** launched by Bristol-Myers Squibb, reportedly will claim in ads that the acetaminophen product relieves headaches better that Extra-Strength Tylenol, the category leader. 3

■ **Brand franchises** are being threatened by marketplace changes and need improved creative strategies, several speakers said at *Advertising Age's* 33rd annual Creative Workshop. 3

■ **Adolph Coors Co.'s** new $4 million ad campaign centers on a water quality and conservation message, and features for the first time brewery President Peter Coors. 6

■ **Celestial Seasonings** will introduce a line of caffeinated teas and will drop Mariette Hartley as its TV spokeswoman in favor of radio and print ads. 12

■ **Medical advertising agencies,** unlike many of their consumer counterparts, are showing healthy billings increases this year. 16

■ **Pacific Bell Directory** is testing a new Yellow Pages ad program that includes delivering product samples. ... 17

■ **Beer marketers** locked in summertime market share battles find several new products doing well. 21

■ **Canon USA** will use tennis star Andre Agassi in ads introducing its EOS Rebel camera later this month. 23

■ **An anti-tobacco bill** being considered in the U.S. House has been stripped of several proposed ad restrictions, sources say, but a ban on sponsorship of sports and cultural events remains. 25

■ **K mart** breaks a new ad campaign this week positioning its stores as trendy places to shop. 28

■ **Furniture marketers** are adopting a "lived-in" look in their advertising. 31

■ **Escada,** the designer clothing marketer, will add a women's fragrance this fall. 49

■ **Hispanic influence** in the U.S. will increase dramatically, former San Antonio Mayor Henry Cisneros told the *Advertising Age* Marketing to Hispanics Symposium. 55

DEPARTMENTS

Ad Review	56	Index to Advertisers	56
Brady's Bunch	44	Letters	33
Classifieds	46	MediaWorks	43
Con-Sid-erations	32	NewsWatch	12
Corrections & Clarifications	33	People Moving	46
Editorials	32	Photo Review	45
For the Record	51	Research News	34

Contents copyright 1990 by Crain Communications Inc. All rights reserved.

Vol. 61, No. 33—ADVERTISING AGE (ISSN 0001-8899) is published weekly by Crain Communications Inc. at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.00 a copy, $76 a year, $127 two years. Add $126 per year for air delivery to Europe & Middle East. Add $54 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207 1-800-992-9970. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45402 (800 227-4908).

ABP MPA BPA

Chiat shuffle in N.Y.

Wolf, Perkins assume Newman's titles

By Jon Lafayette

Chiat/Day/Mojo North American Chairman-CEO Bob Wolf traveled to New York last week to find out "what it is we're doing wrong and go fix it." He began with the executive suite.

Mr. Wolf replaced Jane Newman as president-ceo of the New York office, which laid off 30 people earlier this month following a string of account losses.

Mr. Wolf, 48, who was Ms. Newman's predecessor, assumed the ceo title and named Bob Perkins president. Mr. Perkins, 44, continues as chairman of Perkins/-Butler, Chiat's direct marketing unit. Mr. Perkins had been an account director in Chiat's Los Angeles office before co-founding Perkins/Butler two years ago.

Ms. Newman, 42, becomes vice chairman for strategic planning and business development for North America. Exec VP-Worldwide Business Development Don Peppers and his staff will report to Ms. Newman.

Mr. Perkins said his first priority is to meet existing clients and his second is to look for new business. Royal Caribbean Cruise Lines, whose decision to review its $30 million account (AA, July 30) precipitated both the layoffs and the management changes, falls under both categories.

Though Perkins/Butler had done some direct marketing projects for Royal Caribbean, Mr. Perkins said he didn't know details about why the account was in review, "but I can't imagine that it's something that can't be fixed. We're treating them as a new-business prospect."

Observers believe Chiat has little chance to retain the account.

B. Wolf

Chiat lost an ally there earlier this year when Jim Kissel, who had hired the agency, resigned as VP-marketing and sales to start a tour package company.

"When I left at the end of February, there were no problems" with the relationship, Mr. Kissel said.

The review appears to stem from problems with Chiat rather than problems at Royal Caribbean, which competitors agree is in excellent shape.

Sources say Royal Caribbean Exec VP Rod McLeod is unhappy with the continual turnover in Chiat account and creative personnel working on the account.

The latest management changes, however, may provide Chiat with a small opportunity, sources say.

"Perkins is a smart business guy. He's good at talking about a client's business, and its important to Royal Caribbean that their agency understand the travel business," said a former Chiat staffer. "He's also very personable, and you can never say Jane was a people person."

Mr. Wolf denied Ms. Newman is being made a scapegoat for the New York office's recent problems.

"It's a matter of playing on everybody's strengths, and Jane's strength, more than anything else, is her ability to strategically solve advertising problems," he said. "By being caught in a job where she was an administrator, new-business director, personnel manager—all jobs that go with running an office—we weren't tapping her best assets."

Ms. Newman said she expects her new job will allow her the freedom to deal with clients' problems without having to deal with day-to-day responsibilities.

"These moves are designed to strengthen senior management," she said. "I will be freed from the day-to-day running of business, so I can concentrate on strategic insights."

Mr. Wolf added that Tom McElligott "will be devoting more time to New York. We really haven't tapped that asset well enough."

Mr. McElligott has been spending a great deal of time in the agency's Toronto office.

Mr. Wolf himself plans to spend about half his time in New York. □

Bradley Johnson and Ira Teinowitz contributed to this story.

Sears chief gets ultimatum

Crain News Service

Sears, Roebuck & Co.'s board told Chairman Edward Brennan last week he has six months to post significant gains in the company's flagging retail operations or face a move to oust him.

Members of the Sears board, who spoke only on condition of anonymity, told *Crain's Chicago Business* the ultimatum was delivered to Mr. Brennan at a tumultuous board meeting Aug. 8.

Sources familiar with the drama unfolding at Sears also said Philip J. Purcell, chairman of the company's Dean Witter Financial Services Group, is slated to assume broadened responsibilities for the company's expansive financial services operations.

Mr. Brennan, 56, last week took on the additional title of chairman of the Sears Merchandise Group in a last-ditch effort to improve retailing results. He replaced Michael Bozic, 49, who was demoted to president of the unit and removed from the company's board.

Sears, Mr. Brennan and Mr. Purcell all declined to comment.

Also at last week's board meeting, Mr. Brennan failed in a move to secure a public statement reaffirming the directors' faith in his ability to turn around the retailer.

A board member suggested if Mr. Brennan isn't able to make "significant" gains, the board may move to reopen talks about selling the merchandise group. □

Lang eyes stake in 'Confetti'

By Scott Donaton

Media entrepreneur Dale Lang is negotiating to buy a stake in *Confetti*, a struggling group of beauty salon magazines launched last spring.

The talks follow Lang Communications' relaunch of *Ms.* and Mr. Lang's formation of Star Television Network.

Mr. Lang's involvement with *Confetti* would put him in competition with Whittle Communications, which plans to launch its own beauty salon magazine next month.

Confetti Publisher Howard Garey confirmed last week he's been holding talks with Lang Communications but wouldn't discuss details.

"Because it's still in negotiations, I don't want to get into that," he said.

Mr. Garey said he expects to make an announcement as early as next week. Mr. Lang couldn't be reached for comment.

Communications Venture Group, a media investment company, launched *Confetti* with an April/-May issue. *Confetti* is styled after Whittle's *Special Report* magazines for doctors' waiting rooms.

D. Lang

Confetti consists of six oversize glossy titles, each devoted to a single topic such as style, home and leisure. The magazines, published every other month, are distributed to about 4,000 beauty salons nationwide.

The magazines were launched amid an ad slump, and *Confetti* was forced to cut ad rates by as much as 50% after the first two issues. Several months after the launch, Communications Venture Group began looking for a partner.

Mr. Lang has a penchant for buying troubled media properties and trying to revive them. Late last month, he relaunched *Ms.* as an ad-free "magabook."

Last month, he also announced the formation of Star Television Network, a direct response entertainment network to be launched next month in more than 20 cities.

Media buyers say they don't understand Mr. Lang's recent spate of activity.

"I don't know if Dale's just buying low-cost media [properties] and trying to turn them around or if he has a master plan," said one agency executive who asked not to be identified.

Meanwhile, Whittle's *American Style* will be launched next month. The every-other-monthly will be distributed in 140,000 beauty salons nationwide. □